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**Subject:** HPNS AOC Draft for discussion 9/14-15.  
**Attachments:** hpsaocrgc902.doc; hptaocseptcompare.docx; hptaocseptcompare3.doc  
**Categories:** Hunters Point

Attached is a revised version of the AOC which incorporates many of the proposed changes and highlights areas/issues that need further discussion. It does not reflect any on the on-going discussions regarding definitions (including the definition of Work which remains a key issue for EPA and the State).

I believe we agreed at the last meeting to eliminate references to IRACRs because there are no remedies that would need an IRACR; but I have not eliminated those references.

As for the term of the AOC, EPA would like to discuss the pros and cons of two options:

First: AOC would continue to operate in the Post development phase, but stipulated penalties during that period would be subject to an opportunity to cure any failures in reporting or other IC related obligations.

Second: AOC would terminate when the "development cover" phase was complete and the ongoing obligations would be transferred to an O & M agreement between the SFRA and the State (with EPA as a 3rd party beneficiary). In the event of a failure by SFRA to meet its IC obligations, the regulators would have the option to re-engage with the Navy if they were unable to resolve the failure.

Here is a Word Compare based on the last version Barry sent out.

if the docx file does not open, here is the same version

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EPA revision September 2010

IN THE MATTER OF  
FORMER HUNTER'S POINT NAVAL SHIPYARD

Respondents

San Francisco Redevelopment Agency and HPS Development Co., LP

ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HUNTER'S POINT NAVAL SHIPYARD  
U.S. EPA Region 9

CERCLA Docket No. 2010-14

Proceeding under Sections 104, 106 and 122 of the Comprehensive Environmental Response,  
Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606, and 9622.

DRAFT FOR DISCUSSION PURPOSES ONLY DO NOT CITE, QUOTE OR RELEASE

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## **I. JURISDICTION**

1. This Administrative Order on Consent ("Order") is entered into voluntarily by the United States Environmental Protection Agency ("EPA"), the California Department of Toxic Substances Control ("DTSC"), the California Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB"), and the San Francisco Redevelopment Agency ("SFRA") and CP/HPS Development Co. LP (referred to individually as "Respondent" and collectively as "Respondents"). The Order concerns the performance of one or more remedial actions ("RD/RA") for certain hazardous substances, pollutants, or contaminants present on Parcels G, and portions of Parcel B at the former Hunter's Point Naval Shipyard ("HPS") located at San Francisco ("Site"), described in Appendix A and depicted generally on the map attached as Appendix B) and the reimbursement for future response costs incurred by EPA, DTSC and RWQCB in connection with such CERCLA response actions.

2. This Order is issued under the authority vested in the President of the United States by Sections 104, 106 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606 and 9622 ("CERCLA"). This authority was delegated to the Administrator of EPA on January 23, 1987, by Executive Order 12580, 52 Fed. Reg. 2926 (Jan. 29, 1987), and further delegated to Regional Administrators on May 11, 1994, by EPA Delegation Nos. 14-14-C and 14-14-D. This authority was further redelegated by the Regional Administrator of EPA Region 9 to the Superfund Branch Chief (now referred to as Assistant Division Director) by Regional Delegation R9 1290.15, dated September 29, 1997. DTSC and the RWQCB sign this Order pursuant to relevant provisions of CERCLA Section 120 regarding state participation in federal facility cleanups, and Section 121(f), 42 U.S.C. §§ 9620 and 9621(f), and applicable provisions of 40 C.F.R. Subpart F, and the California Health and Safety Code, Division 20, Chapters 6.5, 6.67, 6.75, and 6.8, and the California Water Code, Division 7. The United States Department of Justice is approving and signing this Order pursuant to the authority of the Attorney General of the United States to compromise and settle claims of the United States.

3. Pursuant to that certain Early Transfer Cooperative Agreement ("ETCA") Covering Portions of the Hunters Point Naval Shipyard Between the United States of America Department of the Navy ("Navy") and the SFRA dated \_\_\_\_, and pursuant to that certain Remediation Agreement dated \_\_\_\_ between the SFRA and HPS Development Co., Respondents have agreed to undertake the cleanup of a portion of the former Hunter's Point Naval Shipyard, which is more specifically depicted in Appendix A to this Order. This cleanup is currently being undertaken by the U.S. Navy pursuant to the terms of the Hunter's Point Naval Shipyard Federal Facilities Agreement, dated January 22, 1992 ("FFA"). The FFA is being amended to provide in general that the obligations of the Navy to conduct that portion of the cleanup of the Site that SFRA has agreed to perform under the ETCA and this AOC will be suspended so long as the Respondents comply with all requirements of this Order and other conditions described in the Amended FFA are met [NOTE: SUBJECT TO REVIEW AND CONSENT OF AMENDED FFA TERMS]. In the event that EPA, in consultation with DTSC and

RWQCB, determines that the Respondents are in Default as defined in Section XXXII of this Order, the responsibility for any remaining response actions shall revert to the Navy in accordance with the terms and conditions of the Amended FFA.

4. Respondents represent that they are each bona fide prospective purchasers ("BFPP") with respect to the Site as defined by section 101(40) of CERCLA, 42 U.S.C. § 9601(40), that they have and will continue to comply with section 101(40) during their ownership of the Site, and thus qualify for the protection from liability under CERCLA set forth in section 107(r)(1) of CERCLA, 42 U.S.C. § 9607(r)(1), with respect to the Site. In view, however, of the complex nature and significant extent of the Work to be performed by Respondents at the Site, and the risk of claims under CERCLA being asserted against Respondents notwithstanding section 107(r)(1) as a consequence of Respondents' activities at the Site pursuant to this Order, one of the purposes of this Order is to resolve, subject to the reservations and limitations contained in Section XXVI (Reservations of Rights by EPA), any potential liability of Respondents under CERCLA for Existing Contamination, as defined in Paragraph 13 below.

5. EPA, DTSC, RWQCB and Respondents recognize that this Order has been negotiated in good faith and that the actions undertaken by Respondents in accordance with this Order do not constitute an admission of any liability. Respondents do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Order, the validity of the Findings of Fact, and Conclusions of Law and Determinations in Sections V and VI of this Order. Respondents agree to comply with and be bound by the terms of this Order and further agree that they will not contest the basis or validity of this Order or its terms.

## **II. PARTIES BOUND**

6. This Order applies to and is binding upon EPA, DTSC, RWQCB and upon Respondents and their successors and assigns. Any change in ownership or corporate status of Respondents including, but not limited to, any transfer of assets or real or personal property shall not alter Respondents' responsibilities under this Order, except as provided in Paragraph 20.

7. Each Respondent shall be responsible for carrying out the activities required of it by the Statement of Work and this Order in a timely manner and shall be subject to stipulated penalties for its failure to meet the terms and conditions of this Order. A Respondent may be held responsible for carrying out activities required of the other Respondent under the Scope of Work and this Order, but only after EPA, DTSC and RWQCB have exhausted their remedies under this Order against the non-performing Respondent; provided that a Respondent shall respond immediately where EPA determines, in consultation with DTSC and RWQCB, that an immediate response is required to protect human health and the environment. Where this Order specifies that Respondents have a right or duty, but does not specify which respondent has that right, or

duty, the Respondents may designate a single Respondent to exercise that right or perform that duty.

8. Respondents shall ensure that their contractors, subcontractors, and representatives receive a copy of this Order and comply with this Order. Respondents shall be responsible for any noncompliance with this Order by their contractors, subcontractors and representatives.

9. The undersigned representatives of Respondents certify that they are fully authorized to enter into the terms and conditions of this Order and to execute and legally bind Respondents to this Order.

### **III. STATEMENT OF PURPOSE**

10. In entering into this Order, the objectives of EPA, DTSC, RWQCB and Respondents, in addition to the purpose identified in Paragraph 4 above, are: (a) to provide for the construction and implementation of the selected remedial action consistent with CERCLA and the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. Part 300 ("NCP"), including the obligation to implement and maintain institutional controls, including land use covenants, or operation and maintenance at the Site to achieve all applicable or relevant and appropriate requirements not waived ("ARARs"), and other Remedial Action Objectives described in the RODs; (b) to provide for the payment of response and oversight costs incurred by EPA, DTSC and RWQCB with respect to this Order, provided that neither EPA, DTSC, nor the RWQCB will seek reimbursement from Respondents for any response and oversight costs already paid to them from a Department of Defense funding source; and (c) to fulfill a portion of the required assurances under the CERCLA 120(h)(3)(C) covenant deferral process.

12. The Work conducted under this Order is subject to approval by EPA, after consultation with DTSC and RWQCB. [NOTE: The issue of EPA's consultation with the Navy is to be addressed in the FFA amendment and limited references will be included in the AOC]. For purposes of this Order, consultation with DTSC and RWQCB shall include, but not be limited to, simultaneous receipt by and a reasonable opportunity to review and comment on by DTSC and RWQCB of all documents and deliverables required to be submitted by Respondents under this Order (the reasonable review time for each document/deliverable will be determined by EPA in consultation with DTSC and the RWQCB before or upon receipt of the document/deliverable; opportunity to participate in all meetings among the Parties concerning the Site; and to participate in dispute resolution as provided by Sections XXII and XXIII of this Order. Respondents shall conduct all Work under this Order in compliance with CERCLA, the NCP, and all applicable EPA guidance, policies, and procedures and applicable State law.

### **IV. Definitions**

13. Unless otherwise expressly provided herein, terms used in this Order which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Order or in the appendices attached hereto and incorporated hereunder, the following definitions shall apply:

“Amended FFA” shall mean Amendment No. 1 to the Hunter’s Point Naval Shipyard Federal Facilities Agreement, dated \_\_\_\_\_.

“Additional Insured Conditions” shall mean those Pollution Conditions in the ACES that are not Cost Cap Insured Conditions but are otherwise within the coverage grant and not excluded from the Environmental Insurance Policies. This term also includes any Pollution Condition that otherwise would have been an Additional Insured Condition but for which coverage was denied by the insurance provider solely due to the failure of the Respondents to comply with any requirements as set forth in the Environmental Insurance Policies, but only to the extent of such specific costs that would have otherwise been funded by the Respondents but for such failure of the Respondents.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601, *et seq.*

“Certification of Completion of Remedial Action” shall mean a certification issued for a ROD Implementation Area after approval of a RACR pursuant to Paragraph 53.c or a certification for the entire Site issued pursuant to Paragraph 53.d.

“Certification of Completion of the Work” shall mean a certification issued for ROD Implementation Area (defined below) pursuant to Paragraph 55.c or a certification for the entire Site issued pursuant to Paragraph 55.d.

“Cost Cap Insured Conditions” shall mean Pollution Conditions that are within the coverage grant and not excluded from the cost overrun insurance component of the Environmental Insurance Policies, and include such Pollution Conditions even after the expiration of the term of, or exhaustion of the limits of, the cost overrun insurance component of the Environmental Insurance Policies, except to the extent such Pollution Condition is a Navy-Retained Condition.

“Covenant Deferral Request” shall mean the document prepared in accordance with CERCLA Section 120(h)(3)(C), which provides the basis for the deferral by EPA, with the concurrence of the State, of the CERCLA covenant with respect to the Site.

"Day" shall mean a calendar day unless expressly stated to be a working day. "Working day" shall mean a day other than a Saturday, Sunday, or State or Federal holiday. In computing any period of time under this Order, where the last day would fall on a Saturday, Sunday, or State or Federal holiday, the period shall run until the close of business of the next working day.

"DTSC" shall mean the Department of Toxic Substances Control and any successor departments or agencies of the State.

“DTSC Future Response Costs” shall mean all costs, including, but not limited to, direct and indirect costs, that DTSC incurs in reviewing or developing plans, reports and

other items pursuant to this Order, verifying the Work, or otherwise implementing, or overseeing this Order including, but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, costs of participating in community relations meetings, legal or enforcement costs, costs to or implement institutional controls, including land use covenants, or operation and maintenance, including, but not limited to, the cost of attorney time and any monies paid to secure access and/or to secure or implement institutional controls including, but not limited to, the amount of just compensation, costs for emergency response, or the costs incurred by DTSC in enforcing the terms of the Order, including all costs incurred in connection with Dispute Resolution pursuant to Sections XXII and XXIII in the Order

"Effective Date" shall be the effective date of this Order as provided in Section XXXX.

"Environmental Services" shall mean activities funded by the ETCA solely with respect and limited to the Cost Cap Insured Conditions and Additional Insured Conditions necessary to obtain a Certification of Completion or Interim Certification of Completion and associated Operation and Maintenance activities, except to the extent such Operation and Maintenance Activities are attributable to Navy-Retained Conditions. "Environmental Services" shall also mean any activity specifically identified herein, regardless of its exclusion from Insured Conditions. The term "Environmental Services" does not include the performance of Navy-Retained Condition or "Ineligible Work" as defined in the ETCA; any work associated with implementing amendments of, or Explanations of Significant Differences (ESDs) with, the CERCLA RODs; any work associated with the migration of a Pollution Condition from outside the Site onto, into, or under the Site; or any work associated with the migration of a Pollution Condition from the Site onto, into or under Parcel F, except to the extent such migration is caused or contributed to by the negligence of the Respondents.

Environmental Insurance Policies shall mean the environmental insurance which Respondents shall procure in accordance with the ETCA

"EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.

"EPA Future Response Costs" shall mean all costs not inconsistent with the NCP, including, but not limited to, direct and indirect costs, that the EPA incurs in reviewing or developing plans, reports and other items pursuant to this Order, verifying the Work, or otherwise implementing, overseeing, or enforcing this Order, including, but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, costs of establishing and maintaining the administrative record for a period of [REDACTED] years, or participating in community relations meetings, the costs-incurred pursuant to Section XII (Access and Institutional Controls), including, but not limited to, the cost of attorney time and any monies paid to secure access and/or to secure or implement institutional controls including, but not limited to, the amount of just compensation costs for emergency response, or the costs incurred by EPA in enforcing the terms of the Order, including all costs incurred in connection with Dispute Resolution pursuant to Sections XXII and



XXIII in the Order [Navy Note: ETCA funds for enforcement may be precluded—see 10 USC 2701(d)(3)]

“ETCA” shall mean the Early Transfer Cooperative Agreement entered into by the Navy and the San Francisco Redevelopment Authority, San Francisco, California for the Site, dated \_\_\_\_, and attached hereto as Exhibit \_\_\_\_.

“Existing Contamination” shall mean:

- 1) any hazardous substances, pollutants or contaminants present or existing on or under the Site as of the Effective Date;
- 2) any hazardous substances, pollutants or contaminants that migrated from the Site prior to the Effective Date; and
- 3) any hazardous substances, pollutants or contaminants presently at the Site that migrate onto or under or from the Property after the Effective Date.

Existing Contamination includes, but is not limited to, Navy-Retained Conditions.

“FFA” shall mean the Hunter’s Point Naval Shipyard Federal Facilities Agreement, dated January 22, 1992, and any amendments thereto.

“Hunter’s Point Special Account” shall mean the special account established at the Site by EPA pursuant to Section 122(b)(3) of CERCLA, 42 U.S.C. § 9622(b)(3).

“Interest” shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

“Interim Remedial Action Complete Report (IRACR)” shall mean a report prepared pursuant to the *DoD/EPA Joint Guidance, Remedial Streamlined Site Closeout and NPL Deletion Process for DoD Facilities* demonstrating that at a ROD Implementation Area where the remedy involving long-term operation of a groundwater or soil vapor remediation system, the system is constructed, in place, and is operating properly and successfully but the Remedial Action Objectives have not been attained.

“Institutional Controls” shall mean non-engineered instruments, such as administrative and/or legal controls, that help to minimize the potential for human exposure to contamination and/or protect the integrity of a remedy by limiting land and/or resource use. Examples of institutional controls include easements and covenants, zoning restrictions, special building permit requirements, and well drilling prohibitions.

“Interim Certification of Completion of Remedial Action” shall mean a certification issued for a ROD Implementation Area after approval of an I-RACR pursuant to paragraph 53.c.

“National Contingency Plan” or “NCP” shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105

of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, and any amendments thereto.

“Navy Retained Conditions shall mean: (i) Unexploded Ordnance; Military Munitions; chemical, radiological or biological warfare agents; and Radiological Materials; (ii) the performance of CERCLA five-year reviews for years 2013 and 2018 for remedies selected in CERCLA RODs issued by the Navy; (iii) any activity identified as the responsibility of the Navy in the Amended FFA and (iv) Uninsured Conditions. The term Navy-Retained Conditions does not include Ineligible Work as defined in the ETCA.

“Operation and Maintenance” or “O & M” shall mean all activities required to maintain the effectiveness of the Remedial Action(s) as required by EPA, in consultation with DTSC and RWQCB, pursuant to this Order subsequent to and as a condition of the issuance of a Certification of Completion of Remedial Action or Interim Certification of Completion of Remedial Action.

“Order” shall mean this Administrative Order on Consent, the SOW, all appendices attached hereto (listed in Section XXXVI) and all documents incorporated by reference into this document, including without limitation EPA-approved submissions. EPA-approved submissions (other than progress reports) are incorporated into and become a part of the Order upon approval by EPA. In the event of conflict between this Order and any appendix or other incorporated documents, this Order shall control.

“Paragraph” shall mean a portion of this Order identified by an Arabic numeral or an upper case letter.

“Parties” shall mean EPA, DTSC, RWQCB and Respondents.

“Pollution Conditions” shall have the meaning set forth in the Environmental Insurance Policies.

“RACR” shall mean a report prepared pursuant to the *DoD/EPA Joint Guidance, Remedial Streamlined Site Closeout and NPL Deletion Process for DoD Facilities* demonstrating that (1) the remedy at a ROD Implementation Area has been fully performed, including recordation of a modification to the LUC(s), if required by EPA; (2) initial implementation of any other institutional controls called for in the ROD, and (3) the Remedial Action Objectives have been attained.

“Radiological Materials” shall mean solid, liquid, or gaseous material derived from U.S. Government activities, that contains radionuclides regulated by the Atomic Energy Act of 1954, as amended, and those materials containing radionuclides, including the following: nuclear propulsion plants for ships and submarines; nuclear devices and nuclear components thereof, and radiographic and instrument calibration sources and various instrumentation and radioluminescent products manufactured for military applications. The term “Radiological Materials” does not include products commonly used in non-military applications such as radioluminescent signs and household smoke detector components—that do not require special handling or treatment as a result of the materials containing radionuclides, or are otherwise subject to regulatory standards that would be applied in the absence of such radiological materials.

“RCRA” shall mean the Solid Waste Disposal Act, as amended, 42 U.S.C. ● 6901 *et seq.* (also known as the Resource Conservation and Recovery Act).

"Record of Decision(s)" or "ROD(s)" shall mean that certain CERCLA Amended Record of Decision for Parcel B dated \_\_\_\_\_ and that certain CERCLA Record of Decision for Parcel G dated \_\_\_\_\_. including all attachments thereto. The term "Record of Decision(s)" or "ROD(s)" shall not include any amendment, modification or supplement to the above-referenced Records of Decision except to the extent required as the result of any negligent act or omission of Respondents or their contractors. **EPA – NOTE: [If not attributable to Respondents’ negligence or omission, this would be Navy Retained].**

"Remedial Action" shall mean those activities, except for Operation and Maintenance, to be undertaken by the Respondents to implement each of the RODs in accordance with the SOW and the Remedial Design and Remedial Action Work Plans and other plans approved by EPA, after consultation with DTSC and RWQCB.

***“Remedial Action Objective” Shall mean the numeric or narrative clean-up standard specifically designated in a ROD as the “remedial action objective” for a particular remedy selected in the ROD.***

"Remedial Action Work Plan" shall mean the document(s) developed pursuant to Paragraph 29 of this Order and approved or modified by EPA, after consultation with DTSC and RWQCB, and any amendments thereto.

"Remedial Designs" shall mean that certain Remedial Design for Parcel B dated \_\_\_\_ and that certain Remedial Design for Parcel G dated \_\_\_\_.

“Risk Management Plans” or “RMPs” shall mean that certain Pre-RACR Risk Management Plan dated \_\_\_\_, and that certain Post-RACR Risk Management Plan dated \_\_\_\_, and any subsequent amendments thereto.

“ROD Implementation Area” shall mean the portions of Parcels B and G identified in Exhibit \_\_\_\_, attached hereto, as that Exhibit may be amended from time to time with the approval of EPA, in consultation with DTSC and the RWQCB, which form the geographic units for which Respondents will seek certification of completion pursuant to Section XVII

“RWQCB” shall mean the Regional Water Quality Control Board, San Francisco Bay Region, and any successor agencies of the State.

“RWQCB Future Response Costs” shall mean all costs, including, but not limited to, direct and indirect costs, that the RWQCB incurs in reviewing or developing plans, reports and other items pursuant to this Order, verifying the Work, or otherwise implementing, or overseeing this Order including, but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, costs of participating in community relations meetings, legal or enforcement costs, including, but not limited to, the cost of attorney time and any monies paid to secure access and/or to secure costs to establish or implement institutional controls-including, but not limited to, the amount of just compensation; costs for emergency response, or the costs incurred by the RWQCB in

enforcing the terms of the Order, including all costs incurred in connection with Dispute Resolution pursuant to Sections XXII and XXIII in the Order:

"Section" shall mean a portion of this Order identified by a Roman numeral.

"Site" shall mean that portion of the Hunter's Point Naval Shipyard Superfund Site which Respondents have agreed to remediate in accordance with this Order, encompassing approximately [REDACTED] acres, described in Appendix A and depicted generally on the map attached as Appendix B. It is the intent of the Parties that the scope of the "Site" shall be the same as the "Area Covered by Environmental Services" as that term is defined in the ETCA

"State" shall mean the State of California.

"State Interest" shall mean the interest rate applied to outstanding payments for costs billed pursuant to California Health and Safety Code section 25360.1. The rate of interest is subject to change.

"Statement of Work" or "SOW" shall mean the statement of work required of each Respondent for implementation of one or more Remedial Design(s) and Remedial Action(s) the Site, as set forth in Appendix C to this Order and any modifications made in accordance with this Order. The Statement of Work shall identify, for each element of Work, which Respondent is responsible for performing that element.

"Supervising Contractor" shall mean the principal contractor retained by the Respondents to supervise and direct the implementation of the Work under this Order.

"United States" shall mean the United States of America.

"Uninsured Conditions" shall mean those Pollution Conditions that are not Cost Cap Insured Conditions or Additional Insured Conditions.

"Waste Material" shall mean (1) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); (2) any pollutant or contaminant under Section 101(33), 42 U.S.C. § 9601(33); (3) any "solid waste" under Section 1004(27) of RCRA, 42 U.S.C. § 6903(27); (4) any "hazardous waste" under California Health and Safety Code section 25117, or "hazardous substance" under California Health and Safety Code section 25316; and (5) any "waste" under California Water Code section 13050.

***"Work" shall mean the activities with respect and limited to (1) the Cost Cap Insured Conditions, (2) Additional Insured Conditions and (3) such other specified activities that each Respondent is required to perform under this Order, except (1) those required by Section XXXIV (Retention of Records) (2) those aspects of a remedy which, after installation and implementation, require only periodic monitoring, inspection, enforcement, maintenance and repair. and (3) such further response actions selected pursuant to paragraph 29, except to the extent necessitated by the acts or omissions of Respondents.***

## **V. FINDINGS OF FACT**

14. Hazardous substances that have been released or that have the potential to be

released within the Site include, but may not be limited to, metals, volatile organic compounds (VOC), semivolatile organic compounds (SVOC), pesticides, polychlorinated biphenyls (PCB), and radionuclides. Concentrations of a group of metals, especially arsenic and manganese, consistently exceeded remediation goals at locations across Parcels B and G these ubiquitous metals are addressed by eliminating the exposure pathway with a cover. Groundwater contaminants which include VOCs, especially trichloroethene (TCE) and its degradation product vinyl chloride, pose a risk from exposure via vapor intrusion into buildings.

On January 22, 1992, the EPA, State of California Department of Health Services (“DHS”) (now DTSC), and the Navy entered into a Federal Facilities Agreement requiring the Navy to identify, perform and complete all necessary response actions, including operation and maintenance at the former Hunter’s Point Naval shipyard under CERCLA.

The Site contains 16 known Installation Restoration Program sites (“IRP sites”). The Navy has signed a Record of Decision and an Amended Record of Decision to select a remedy for the IRP sites.

The former Hunter’s Point Naval Shipyard was selected in 1992 for Base Realignment and Closure and was officially closed in 1974.

The SFRA has requested an early transfer of the Site, which it has or will acquire, upon EPA’s approval of and the State’s concurrence on the Covenant Deferral Request. All of the response actions undertaken by Respondents shall be performed under this AOC, as determined by EPA, with DTSC and RWQCB concurrence, pursuant to CERCLA and the NCP.

## **VI. CONCLUSIONS OF LAW AND DETERMINATIONS**

15. Based on the Findings of Fact set forth above, and the Administrative Record supporting this Order, EPA has determined that:

a. The former Hunter’s Point Naval Shipyard is a “facility” as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

b. The contamination found at the Site, as identified in the Findings of Fact above, includes “hazardous substances” as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14), and Waste Materials as defined in Section IV of this Order.

c. Respondents are each “persons” as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

d. The conditions described in Paragraph 14 above constitute an actual or threatened release of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C. § 9601(22), or a release of Waste Material, as defined in Section IV of this Order.

e. The response actions required by this Order are necessary to protect the public health, welfare, or the environment and, if carried out in compliance with the terms of this Order, will be considered consistent with the NCP, as provided in Section 300.700(c)(3)(ii) of the NCP.

## **VII. ADMINISTRATIVE ORDER**

16. Based upon the foregoing Findings of Fact and Conclusions of Law and Determinations, it is hereby Ordered and Agreed that Respondents shall comply with the provisions of this Order, including, but not limited to, all appendices to this Order and all documents incorporated by reference into this Order.

## **VIII. GENERAL PROVISIONS**

### **17. Commitments by Respondents.**

Respondents shall finance, through the funds provided by the Navy pursuant to the ETCA and any proceeds from the Environmental Insurance Policies, and shall perform the Work in accordance with this Order, the SOW, the Records of Decision, and other decision documents applicable to the Site and associated with the Records of Decision, and all work plans and other plans, standards, specifications, and schedules set forth herein or developed by Respondents and approved by EPA, in consultation with DTSC and RWQCB, pursuant to this Order. Respondents shall also reimburse EPA, DTSC and RWQCB for their respective Future Response Costs as provided in this Order.

### **18. Compliance with Applicable Law.**

All activities undertaken by the Respondents pursuant to this Order shall be performed in accordance with the requirements of all applicable federal and state laws and regulations. Respondents must also comply with all applicable or relevant and appropriate requirements of federal and state environmental laws as set forth in the ROD(s) and the SOW. The activities conducted pursuant to this Order, if approved by EPA, shall be considered to be consistent with the NCP.

### **19. Permits**

a. As provided in Section 121(e) of CERCLA and Section 300.400(e) of the NCP, no permit shall be required for any portion of the Work conducted entirely on-Site (i.e., within the areal extent of contamination or in very close proximity to the contamination and necessary for implementation of the Work) and where such remedial action is selected and carried out in compliance with Section 121 of CERCLA. Where any portion of the Work that is not on Site requires a federal or state permit or approval, Respondents shall submit timely and complete applications and take all other actions necessary to obtain all such permits and approvals.

b. The Respondents may seek relief under the provisions of Section XXI (Force Majeure) of this Order for any delay in the performance of the Work resulting from a failure to obtain, or delay in obtaining, any permit required for the Work.

c. This Order is not, and shall not be construed to be, a permit issued pursuant to any federal or state statute or regulation.

20. Conveyance of Site.

a. At least 30 days prior to the conveyance of a fee interest or leasehold interests in excess of 20 years to any portion of the Site. Respondents shall give written notice to EPA, DTSC, and RWQCB of the proposed conveyance, including the name and address of the grantee. Nothing in this Order shall be construed to require Respondents to secure the approval of EPA, DTSC, or RWQCB before transferring such interest

b. In the event of any such conveyance, Respondent's obligations under this Order shall be unaffected unless EPA, in consultation with DTSC and RWQCB, approves the transfer of the obligations of Respondents under this Order to a successor. EPA's decision under this Paragraph 20.b. is in its sole discretion and shall not be subject to dispute resolution or judicial review. EPA will consider the following criteria, among others, in approving or disapproving a proposed successor for the Work under this Order: (i) the technical qualifications of the successor, or its proposed consultant, to perform remaining Work obligations; (ii) financial ability to perform such obligations; (iii) the successor's legal status and legal authority to sign the Order; (iv) the proposed successor's willingness to sign the Order without modification; and (v) assurance that the proposed transfer of Work obligations will not hinder or delay completion of the Work. If EPA, in consultation with DTSC and RWQCB approve a successor for the Work under this Order, EPA, DTSC, and RWQCB **may** also provide covenants not to sue for the successor similar to those provided in Paragraphs **87 and 90** of this Order.

**IX. PERFORMANCE OF THE WORK BY RESPONDENTS**

21. Selection of Supervising Contractor.

a. All aspects of the Work to be performed by the Respondents pursuant to Sections IX (Performance of the Work by Respondents), X (Remedy Review), XI (Quality Assurance, Sampling and Data Analysis), and XVIII (Emergency Response) of this Order shall be under the direction and supervision of the Supervising Contractor, the selection of which shall be subject to disapproval by EPA, after consultation with DTSC and RWQCB. Respondent ***HPS Development Company has proposed to use MACTEC as its Supervising Contractor and provided EPA, DTSC and RWQCB with the information meeting the criteria described in subparagraph b. below, including its qualifications and Quality Management Plans.*** MACTEC is not disapproved. **NOTE: MACTEC to submit necessary information for review.**

b. If at any time in the future, Respondents propose to change its Supervising Contractor, Respondents shall notify EPA, DTSC and RWQCB in writing at least sixty (60) days in advance of such change, and must obtain an authorization to proceed from EPA, after consultation with DTSC and RWQCB, before the new Supervising Contractor performs, directs, or supervises any Work under this Order. Respondents must provide the name, title, and qualifications of any contractor proposed to be Supervising Contractor. With respect to any contractor proposed to be Supervising Contractor, Respondents shall demonstrate that the proposed contractor has a quality system that complies with ANSI/ASQC E4-1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs," (American National Standard, January 5, 1995), by submitting a copy of the proposed contractor's Quality Management Plan (QMP). The QMP should be prepared in accordance with "EPA Requirements for Quality Management Plans (QA/R-2)" (EPA/241/B-01/002, March 2001) or equivalent documentation as determined by EPA. EPA, after consultation with DTSC and RWQCB, will issue a notice of disapproval or an authorization to proceed.

c. If EPA disapproves a proposed Supervising Contractor, EPA will notify Respondents in writing. Respondents shall submit to EPA, DTSC and RWQCB a list of contractors, including the qualifications of each contractor that would be acceptable to them, within 30 days of receipt of EPA's disapproval of the contractor previously proposed. After consultation with DTSC and RWQCB, EPA will provide written notice of the names of any contractor(s) that it disapproves and an authorization to proceed with respect to any of the other contractors. Respondents may select any contractor from that list that is not disapproved and shall notify EPA, DTSC and RWQCB of the name of the contractor selected within 21 days of EPA's authorization to proceed.

d. If EPA fails to provide written notice of its authorization to proceed or disapproval as provided in this Paragraph and this failure prevents Respondents from meeting one or more deadlines in a plan approved by the EPA pursuant to this Order, Respondents may seek relief under the provisions of Section XXI (Force Majeure).

22. Remedial Action. With respect to each remedial action, the following procedures and requirements shall apply:



a. Within [REDACTED] days of the Effective Date of this Order, Respondents shall submit to EPA, DTSC and RWQCB a work plan for the performance of the Remedial Action at the Site ("Remedial Action Work Plan"). The Remedial Action Work Plan shall provide for construction and implementation of the remedy set forth in the relevant ROD and achievement of the Remedial Action Objectives, in accordance with the ROD, this Order, the SOW, and the design plans and specifications developed in accordance with the Remedial Design Work Plan and approved by EPA after consultation with DTSC and RWQCB. Upon its approval by EPA, the Remedial Action Work Plan shall be incorporated into and become enforceable under this Order. At the same time as the Remedial Action Work Plan is submitted, Respondents shall submit to EPA, DTSC and RWQCB a Health and Safety Plan for field activities required by the Remedial Action Work Plan which conforms to the applicable Occupational Safety and Health Administration and EPA requirements, including but not limited to, 29 C.F.R. § 1910.120.

b. The Remedial Action Work Plan shall include the following which among other things shall provide for the complete initial installation of surface cover for all portions of the site for which RODs require a surface cover remedy no later than seven years after the Effective Date of this order: (1) schedule for completion of the Remedial Action; (2) schedule for developing and submitting other required Remedial Action plans; (3) methods for satisfying permitting requirements (4) methodology for implementation of the Operation and Maintenance Plan; (5) methodology for implementation of the Contingency Plan; (6) tentative formulation of the Remedial Action team; (7) construction quality control plan (by constructor); and (8) procedures and plans for the decontamination of equipment and the disposal of contaminated materials. The Remedial Action Work Plan also shall include the methodology for implementation of the Construction Quality Assurance Plan and a schedule for implementation of all Remedial Action tasks identified in the final design submittal and shall identify the initial formulation of the Respondents' Remedial Action Project Team (including, but not limited to, the Supervising Contractor).

c. Upon approval of the Remedial Action Work Plan by EPA, after consultation with DTSC and RWQCB, Respondents shall implement the activities required under the Remedial Action Work Plan. The Respondents shall submit to EPA, DTSC and RWQCB all plans, submittals, or other deliverables required under the approved Remedial Action Work Plan in accordance with the approved schedule for review and approval pursuant to Section XIV (EPA Approval of Plans and Other Submissions). Unless otherwise directed by EPA, Respondents shall not commence physical Remedial Action activities at the Site prior to approval of the Remedial Action Work Plan.

23. The Respondents shall continue to implement the Remedial Action and Operation and Maintenance until the Remedial Action Objectives are achieved and for so long thereafter as is otherwise required under this Order and the ROD.

24. Respondents acknowledge and agree that nothing in this Order, the SOW, or the Remedial Design or Remedial Action Work Plans constitutes a warranty or representation of any kind by EPA, DTSC or RWQCB that compliance with the work

requirements set forth in the SOW and the Work Plans will achieve the Remedial Action Objectives.

25. Except as expressly provided in the SOW (NOTE to allow for revetment wall work) Respondents are not required to perform any Work under this Order on any property that is outside the boundaries of the Site or any Work associated with release of hazardous substances that have migrated onto, under or in the Site from a source outside the Site. Note if this is intended to be prospective, it works, but the source of existing contamination is not relevant.

26. Waste Shipments.

a. For any Work performed under this Order, Respondents shall comply with all applicable State waste management laws.

b. For any Work performed under this Order, Respondents shall, prior to any shipment of Waste Material from the Site to an out-of-state waste management facility, provide written notification to the appropriate state environmental official in the receiving facility's state and to the EPA, DTSC and RWQCB Project Coordinators of such shipment of Waste Material. However, this notification requirement shall not apply to any off-site shipments to out-of-state waste management facilities when the total volume of all such shipments will not exceed 10 cubic yards.

c. The Respondents shall include in the written notification for out-of-state waste shipments the following information, where available: (1) the name and location of the facility to which the Waste Material is to be shipped; (2) the type and quantity of the Waste Material to be shipped; (3) the expected schedule for the shipment of the Waste Material; and (4) the method of transportation. The Respondents shall notify the state in which the planned receiving facility is located of major changes in the shipment plan, such as a decision to ship the Waste Material to another facility within the same state, or to a facility in another state.

d. The identity of the receiving facility and state will be determined by the Respondents following the award of the contract for Removal Action or Remedial Action construction. The Respondents shall provide the information required by Paragraph 24.c. as soon as practicable after the award of the contract and before the Waste Material is actually shipped.

27. Off-Site Waste Shipments. Before shipping any hazardous substances, pollutants, or contaminants from the Site to an off-Site location, Respondents shall obtain EPA's certification that the proposed receiving facility is operating in compliance with the requirements of CERCLA Section 121(d)(3) and 40 C.F.R. 300.440. If the off-Site location is in California, Respondents shall obtain certification from the State that the proposed receiving facility is in substantial compliance with California laws. Respondents shall only send hazardous substances, pollutants, or contaminants from the Site to an off-Site facility that complies with the requirements of the statutory provisions and regulations cited in the preceding sentences.

## X. *Remedy Review*

### 28. Periodic Review.

For the duration of this Order, Respondents shall conduct any studies and investigations as requested by EPA, after consultation with DTSC and RWQCB, in order to permit EPA and/or the Navy to conduct reviews of whether any Remedial Action(s) is(are) protective of human health and the environment at least every five years as required by Section 121(c) of CERCLA and any applicable regulations.

### 29. *Selection of Further Response Actions.*

If EPA and the Navy determine, at any time, after consultation with DTSC and RWQCB, that any Remedial Action at the Site is not protective of human health and the environment, EPA and the Navy may select further response actions for the Site in accordance with the requirements of the FFA, CERCLA and the NCP (“Further Response Actions”).

a. Opportunity to Comment. For the duration of this Order, Respondents and, if required by Sections 113(k)(2) or 117 of CERCLA, the public, will be provided with an opportunity to comment on any further response actions proposed by EPA and to submit written comments for the record during the comment period.

b. *Limitations on Respondents’s Obligation to Perform Further Response Actions.* *If EPA and the Navy select Further Response Actions for the Site, the Respondents shall have no obligation to undertake such Further Response Actions to the extent that such Actions are required as a result of Navy-Retained Conditions or to the extent such Actions are not part of the Environmental Services. Any requirement that Respondents undertake Further Response Actions shall be subject to Respondents’ right to dispute resolution in accordance with Section XXIII. [NOTE: “Further Response Actions” would be a defined term in Section 13.]*

c. Submissions of Plans. If Respondents are required to perform further response actions pursuant to Paragraph 29.b., Respondents shall submit a plan for such work to EPA for approval, in accordance with the procedures set forth in Section IX (Performance of the Work by Respondents) and shall implement the plan approved by EPA, after consultation with DTSC and RWQCB, in accordance with the provisions of this Order.

## XI. *QUALITY ASSURANCE, SAMPLING, AND DATA ANALYSIS*

30. Respondents shall use quality assurance, quality control, and chain of custody procedures for all assessment, characterization, treatability, design, compliance and monitoring samples in accordance with “Uniform Federal Policy for Quality Assurance Project Plans (UFP-QAPP) (EPA/505/B-04-900A, March 2005), ”EPA

Requirements for Quality Assurance Project Plans (QA/R5)" (EPA/240/B-01/003, March 2001) "Guidance for Quality Assurance Project Plans (QA/G-5)" (EPA/600/R-98/018, February 1998), and subsequent amendments to such guidelines upon notification by EPA to Respondents of such amendment. Amended guidelines shall apply only to procedures conducted after such notification. Prior to the commencement of any monitoring project under this Order, Respondents shall submit to EPA for approval, a Quality Assurance Project Plan ("QAPP") that is consistent with the SOW, the NCP and relevant guidance. If relevant to the proceeding, the Parties agree that validated sampling data generated in accordance with the QAPP(s) and reviewed and approved by EPA shall be admissible as evidence, without objection, in any proceeding under this Order. Respondents shall ensure that EPA, DTSC and RWQCB personnel and their authorized representatives are allowed access at reasonable times to all laboratories utilized by Respondents in implementing this Order. In addition, Respondents shall ensure that such laboratories shall analyze all samples submitted by EPA, DTSC or RWQCB pursuant to the QAPP for quality assurance monitoring. Respondents shall ensure that the laboratories it utilizes for the analysis of samples taken pursuant to this Order perform all analyses according to accepted EPA methods. Accepted EPA methods consist of those methods which are documented in the "Contract Lab Program Statement of Work for Inorganic Analysis" and the "Contract Lab Program Statement of Work for Organic Analysis," dated February 1988 (collectively, "CLP-approved methods"), and any amendments made thereto during the course of the implementation of this Order; however, upon approval by EPA, after consultation with DTSC and RWQCB, the Respondents may use other analytical methods which are as stringent as or more stringent than the CLP- approved methods. Respondents shall ensure that all laboratories it uses for analysis of samples taken pursuant to this Order participate in an EPA or EPA-equivalent QA/QC program. Respondents shall only use laboratories that have a documented Quality System which complies with ANSI/ASQC E4-1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs," (American National Standard, January 5, 1995), and ■EPA Requirements for Quality Management Plans (QA/R-2)," (EPA/240/B-01/002, March 2001) or equivalent documentation as determined by EPA after consultation with DTSC and RWQCB. EPA may consider laboratories accredited under the National Environmental Laboratory Accreditation Program (NELAP) as meeting the Quality System requirements. Respondents shall ensure that all field methodologies utilized in collecting samples for subsequent analysis pursuant to this Order will be conducted in accordance with the procedures set forth in the QAPP approved by EPA.

31. Upon request, the Respondents shall allow split or duplicate samples to be taken by EPA, DTSC or RWQCB or their authorized representatives. Respondents shall notify EPA, DTSC and RWQCB not less than 28 days in advance of any sample collection activity unless shorter notice is agreed to by EPA, after consultation with DTSC and RWQCB. In addition, EPA, DTSC and RWQCB shall have the right to take any additional samples that they deem necessary. Upon request, EPA shall allow the Respondents to take split or duplicate samples of any samples it takes as part of the EPA's oversight of the Respondents' implementation of the Work.

32. Respondents shall submit to EPA, DTSC and RWQCB two copies of the results of all sampling and/or tests or other data obtained or generated by or on behalf of Respondents with respect to the Site and/or the implementation of this Order unless EPA agrees otherwise, after consultation with DTSC and RWQCB.

33. Notwithstanding any provision of this Order, the United States and the State, including DTSC and RWQCB, hereby retain all of their information gathering and inspection authorities and rights, including enforcement actions related thereto, under CERCLA, RCRA and any other applicable statutes or regulations.

## **XII. ACCESS AND INSTITUTIONAL CONTROLS**

34. As required in the covenant deferral process, certain restrictions on land/soil and groundwater use are needed to assure protection of human health and the environment at the time of transfer of the Site, and prior to and during the implementation of response actions at the Site. Accordingly, the Navy, EPA, DTSC and RWQCB have prepared, in consultation with Respondents, land use covenants (“LUCs”) consistent with the requirements of the RODs for Parcels B and G, and Respondents have prepared, and EPA, DTSC and RWQB have approved the Risk Management Plans.

a. Respondents shall comply with the use restrictions set forth in the LUCs and the requirements of the Risk Management Plans except to the extent Respondents obtain the approval of Navy, DTSC, EPA and RWQCB to allow an otherwise restricted use or activity pursuant to the approval procedures set forth in the LUCs or Risk Management Plans, respectively:

b. Respondents shall refrain from using the Site in any manner that would interfere with or adversely affect the implementation, integrity, or protectiveness of remedial measures and response actions to be performed pursuant to this Order and/or in accordance with the RODs.

35. As of the Effective Date of this Order, if the Site is owned or controlled by Respondents, Respondents shall: provide the United States, including EPA and the Navy, and DTSC and RWQCB, and their representatives and contractors, with access at all reasonable times to the Site, for the purpose of conducting any activity related to this Order including, but not limited to, the following activities:

- (1) Monitoring the Work;
- (2) Verifying any data or information submitted to EPA, DTSC and RWQCB;
- (3) Conducting investigations relating to contamination at or near the Site;
- (4) Obtaining samples;

- (5) Assessing the need for planning or implementing response actions or additional response actions at or near the Site;
- (6) Assessing implementation of quality assurance and quality control practices as defined in the approved Quality Assurance Project Plans;
- (7) Implementing any response actions or the Work in the event of Default by Respondents;
- (8) Inspecting and copying records, operating logs, contracts or other documents maintained or generated by Respondents or its agents, consistent with Section XXXIII (Access to Information);
- (9) Assessing Respondents' compliance with this Order; and
- (10) Determining whether the Site is being used in a manner that is prohibited or restricted, or that may need to be prohibited or restricted by, or pursuant to this Order.

36. If EPA determines, after consultation with DTSC and RWQCB, that land/water use restrictions in the form of state or local laws, regulations, ordinances or other governmental controls are needed to implement any remedies selected in the RODs, ensure the integrity and protectiveness thereof, or ensure non-interference therewith, Respondents shall cooperate with EPA's efforts to secure such governmental controls.

37. Notwithstanding any provision of this Order, the United States and the State, including DTSC and RWQCB, retain all of their access authorities and rights, as well as all of their rights to require land/water use restrictions, including enforcement authorities related thereto, under CERCLA, RCRA and any other applicable statutes or regulations.

### **XIII. REPORTING REQUIREMENTS**

38. In addition to any other requirement of this Order, Respondents shall submit two copies of written monthly progress reports to EPA, DTSC and RWQCB that: (a) describe the actions which have been taken toward achieving compliance with this Order during the previous month; (b) include a summary of all results of sampling and tests and all other data received or generated by Respondents or their contractors or agents in the previous month; (c) identify all work plans, plans and other deliverables required by this Order completed and submitted during the previous month; (d) describe all actions, including, but not limited to, data collection and implementation of work plans, which are scheduled for the next six weeks and provide other information relating to the progress of construction, including, but not limited to, critical path diagrams, Gantt charts and Pert charts; (e) include information regarding percentage of completion, unresolved delays encountered or anticipated that may affect the future schedule for implementation of the Work, and a description of efforts made to mitigate those delays or anticipated delays; (f) include any modifications to the work plans or other schedules that

Respondents has proposed to EPA or that have been approved by EPA; and (g) describe all activities undertaken in support of the Community Relations Plan during the previous month and those to be undertaken in the next six weeks. Respondents shall submit these progress reports to EPA, DTSC and RWQCB by the tenth day of every month following the Effective Date of this Order until EPA notifies the Respondents pursuant to Section XVII (Certification of Completion). If requested by EPA, DTSC or RWQCB, Respondents shall also provide briefings for EPA, DTSC and RWQCB to discuss the progress of the Work.

39. The Respondents shall notify EPA, DTSC and RWQCB of any change in the schedule described in the monthly progress report for the performance of any activity, including, but not limited to, data collection and implementation of work plans, no later than seven days prior to the performance of the activity.

40. Upon the occurrence of any event during performance of the Work that is required to be reported pursuant to Section 103 of CERCLA or Section 304 of the Emergency Planning and Community Right-to-know Act ("EPCRA"), the Respondent owning the property where the event occurred shall within 24 hours of the onset of such event orally notify the EPA, DTSC and RWQCB Project Coordinators or the Alternate EPA Project Coordinator (in the event of the unavailability of the EPA Project Coordinator), or, in the event that neither the EPA Project Coordinator or Alternate EPA Project Coordinator is available, the Emergency Response Section, Region 9, United States Environmental Protection Agency. These reporting requirements are in addition to the reporting required by CERCLA Section 103 or EPCRA Section 304.

41. Within 20 days of the onset of such an event, the Respondent owning the property where the event occurred shall furnish to EPA, DTSC and RWQCB a written report, signed by that Respondent's Project Coordinator, setting forth the events which occurred and the measures taken, and to be taken, in response thereto. Within 30 days of the conclusion of such an event, that Respondent shall submit a report setting forth all actions taken in response thereto.

42. Each Respondent shall submit two copies of all plans, reports, and data required by the SOW, each Remedial Design Work Plan, each Remedial Action Work Plan, or any other document which that respondent is required to submit under the Scope of Work to EPA in accordance with the schedules set forth in such plans. The submitting Respondent shall simultaneously submit two copies of all such plans, reports and data the Respondent is required to submit under the Scope of Work to DTSC and RWQCB. Upon request by EPA, DTSC or RWQCB, the submitting Respondents shall submit in electronic form all portions of any report or other deliverable Respondents are required to submit pursuant to the provisions of this Order.

43. All reports and other documents submitted by Respondents to EPA, DTSC and RWQCB (other than the monthly progress reports referred to above) which purport to document Respondents' compliance with the terms of this Order shall be signed by an authorized representative of the Respondents.

#### **XIV. EPA APPROVAL OF PLANS AND OTHER SUBMISSIONS**



44. After review of any plan, report or other item which is required to be submitted for approval pursuant to this Order, EPA, after consultation with DTSC and RWQCB, shall: (a) approve, in whole or in part, the submission; (b) approve the submission upon specified conditions; (c) modify the submission to cure the deficiencies; (d) disapprove, in whole or in part, the submission, directing that the submitting Respondent modify the submission; or (e) any combination of the above. However, EPA shall not modify a submission without first providing the submitting Respondent at least one notice of deficiency and an opportunity to cure within thirty (30) days, except where to do so would cause serious disruption to the Work or where previous submission(s) have been disapproved due to material defects and the deficiencies in the submission under consideration indicate a bad faith lack of effort to submit an acceptable deliverable.

45. In the event of approval, approval upon specified conditions, or modification by EPA, pursuant to Paragraph 46(a), (b), or (c), the submitting Respondent shall proceed to take any action required by the plan, report, or other item, as approved or modified by EPA subject only to Respondents' right to invoke the Dispute Resolution procedures set forth in Section XXIII (Dispute Resolution) with respect to the modifications or conditions made by EPA. In the event that EPA modifies the submission to cure the deficiencies pursuant to Paragraph 46(c) and the submission has a material defect, EPA retains its right to seek stipulated penalties, as provided in Section XXIV (Stipulated Penalties).

46. Resubmission of Plans.

a. Upon receipt of a notice of disapproval pursuant to Paragraph 44, the submitting Respondent shall, within thirty (30) days or such longer time as specified by EPA in such notice, correct the deficiencies and resubmit the plan, report, or other item for approval. Any stipulated penalties applicable to the submission, as provided in Section XXIV, shall accrue during the 30-day period or otherwise specified period but shall not be payable unless the resubmission is disapproved or modified due to a material defect as provided in Paragraph 54.

b. Notwithstanding the receipt of a notice of disapproval pursuant to Paragraph 44, the submitting Respondent shall proceed, at the direction of EPA, to take any action required by any non-deficient portion of the submission. Implementation of any non-deficient portion of a submission shall not relieve Respondents of any liability for stipulated penalties under Section XXIV (Stipulated Penalties).

47. In the event that a resubmitted plan, report or other item, or portion thereof, is disapproved by EPA, after consultation with DTSC and RWQCB, EPA may again require the submitting Respondent to correct the deficiencies, in accordance with the preceding Paragraphs. EPA also retains the right to modify or develop the plan, report or other item. The submitting Respondent shall implement any such plan, report, or item as modified or developed by EPA, subject only to its right to invoke the procedures set forth in Section XXIII (Dispute Resolution).

48. If upon resubmission, a plan, report, or item is disapproved or modified by EPA due to a material defect, the submitting Respondent shall be deemed to have failed to submit such plan, report, or item timely and adequately unless the submitting



Respondent invokes the dispute resolution procedures set forth in Section XXIII (Dispute Resolution) and EPA's action is overturned pursuant to that Section. The provisions of Section XXIII (Dispute Resolution) and Section XXIV (Stipulated Penalties) shall govern the implementation of the Work and accrual and payment of any stipulated penalties during Dispute Resolution. If EPA's disapproval or modification is upheld, stipulated penalties shall accrue for such violation from the date on which the initial submission was originally required, as provided in Section XXIV.

49. All plans, reports, and other items required to be submitted to EPA, DTSC and RWQCB under this Order shall, upon approval or modification by EPA, be enforceable under this Order. In the event EPA approves or modifies a portion of a plan, report, or other item required to be submitted to EPA under this Order, the approved or modified portion shall be enforceable under this Order.

## **XV. PROJECT COORDINATORS**

50. Within 20 days of the Effective Date of this Order, each Respondent, DTSC, RWQCB and EPA will notify each other, in writing, of the name, address and telephone number of their respective designated Project Coordinators and Alternate Project Coordinators. If a Project Coordinator or Alternate Project Coordinator initially designated is changed, the identity of the successor will be given to the other Parties at least 5 working days before the changes occur, unless impracticable, but in no event later than the actual day the change is made. The Respondents' Project Coordinators shall be subject to disapproval by EPA, in consultation with DTSC and RWQCB, and shall have the technical expertise sufficient to adequately oversee all aspects of the Work. The Respondents' Project Coordinators shall not be attorneys for the Respondents in this matter. They may assign other representatives, including other contractors, to serve as a representative for oversight of performance of daily operations during remedial activities.

51. EPA, DTSC and RWQCB may designate other representatives, including, but not limited to EPA, DTSC and RWQCB employees, and federal and state contractors and consultants, to observe and monitor the progress of any activity undertaken pursuant to this Order. EPA's Project Coordinator and Alternate Project Coordinator shall have the authority lawfully vested in a Remedial Project Manager (RPM) and an On-Scene Coordinator (OSC) by the National Contingency Plan, 40 C.F.R. Part 300. In addition, EPA's Project Coordinator or Alternate Project Coordinator shall have authority, consistent with the National Contingency Plan, to halt any Work required by this Order and to take any necessary response action when s/he determines that conditions at the Site constitute an emergency situation or may present an immediate threat to public health or welfare or the environment due to release or threatened release of Waste Material. EPA's Project Coordinator, DTSC's Project Coordinator, RWQCB's Project Coordinator and the Respondents' Project Coordinators will meet, at a minimum, on a monthly basis.

## **XVI. Assurance of Ability to Complete Work**

52. EPA, DTSC and RWQCB hereby acknowledge that the funds provided by the Navy pursuant to the ETCA and the Environmental Insurance Policies procured pursuant to the ETCA provide sufficient Financial Assurance of the Respondents' ability to complete the Work.

### *XVII. Certification of Completion*

53. *Certification and Interim Certification of Completion of the Remedial Action.* With respect to each ROD Implementation Area, the following procedures and requirements shall apply:

a. Within 90 days after Respondents conclude that the Remedial Action for a ROD Implementation Area has been either: (1) fully performed, including recordation of a modification to the LUC(s), if required by EPA, and initial implementation of any other institutional controls called for in the ROD, and the Remedial Action Objectives have been attained, or (2), for remedies involving long-term operation of a groundwater or soil vapor remediation system, the system is constructed, in place, and is operating properly and successfully but the Remedial Action Objectives have not been attained, Respondents shall schedule and conduct a pre-certification inspection to be attended by Respondents, EPA, DTSC, RWQCB and the Supervising Contractor(s). If, after the pre-certification inspection, Respondents still believe that the Remedial Action has been fully performed and the Remedial Action Objectives have been attained or for remedies involving long-term operation of a groundwater or soil vapor remediation system, the system is constructed, in place and is operating properly and successfully but the Remedial Action Objectives have not been attained,, Respondents shall, as applicable, submit to EPA for approval a RACR requesting Certification of Completion of Remedial Action or an I-RACR, requesting Interim Certification of Completion of Remedial Action, with a copy to the DTSC and RWQCB, pursuant to Section XIV (EPA Approval of Plans and Other Submissions) within 30 days of the inspection. In the report, a professional engineer registered in the State and Respondents' Project Coordinator shall state that the Remedial Action for the ROD Implementation Area has been completed in full satisfaction of the requirements of this Order. The RACR or I-RACR shall include as-built drawings signed and stamped by a professional engineer. The report shall contain the following statement, signed by a responsible official of Respondents or the Respondents' Project Coordinator:

To the best of my knowledge, after thorough investigation, I certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

b. If, after completion of the pre-certification inspection and receipt and review of the written report, EPA, after consultation with DTSC and RWQCB, determines, in the case of a RACR that the Remedial Action for the ROD Implementation Area or any portion thereof has not been completed in accordance with this Order or that

the Remedial Action Objectives have not been achieved, or in the case of an I-RACR, that the groundwater or soil vapor remediation system has not been constructed, or is not in place or is not operating properly and successfully, EPA will notify Respondents in writing of the activities that must be undertaken by Respondents pursuant to this Order to fulfill the requirements for obtaining a Certification of Completion of Remedial Action or Interim Certification of Completion of Remedial Action, as applicable; provided however, that EPA may only require Respondents to perform such activities pursuant to this Paragraph to the extent that such activities are consistent with the scope of the remedy selected in the ROD. EPA will set forth in the notice a schedule for performance of such activities consistent with the Order and the SOW or require the Respondents to submit a schedule to EPA, DTSC and RWQCB for approval pursuant to Section XIV (EPA Approval of Plans and Other Submissions). Respondents shall perform all activities described in the notice in accordance with the specifications and schedules established pursuant to this Paragraph, subject to Respondents' right to invoke the dispute resolution procedures set forth in Section XXIII (Dispute Resolution).

If EPA concludes, based on the initial or any subsequent RACR or I-RACR requesting Certification of Completion of Remedial Action or Interim Certification of Completion of Remedial Action and after consultation with DTSC and RWQCB, that in the case of a RACR the Remedial Action has been performed in accordance with this Order and that the Remedial Action Objectives have been achieved, or in the case of an I-RACR, that the system is constructed, in place and is operating properly and successfully but the Remedial Action Objectives have not been attained, EPA will so certify in writing to Respondents. This certification shall constitute, as applicable, a Certification of Completion of Remedial Action or, for remedies for which an I-RACR has been submitted, Certification of Completion of a ROD Implementation Area for purposes of this Order. Receipt of a Certification or Interim Certification under this Paragraph 53 of Completion of the Remedial Action shall not affect Respondent's obligations under this Order to perform required actions other than those necessary to obtain the Certification.

d. After EPA has issued a Certification of Completion of Remedial Action for each ROD Implementation Area within the Site, EPA shall certify in writing to Respondents that the Remedial Action for the entire Site has been performed in accordance with this Order and that the Remedial Action Objectives have been achieved for the entire Site. This certification shall constitute a Certification of Completion of Remedial Action for the Site.

#### 54. NPL Deletion.

After EPA has issued a Certification of Completion of Remedial Action for all of ROD Implementation Areas comprising Parcel G and/or for all of the ROD Implementation Areas comprising the portion of Parcel B within the Site; EPA will consider a request to initiate the regulatory proceedings necessary to effectuate a Partial Deletion from the National Priorities List of Parcel G and/or the portion of Parcel B within the Site from the Hunters Point Naval Shipyard Superfund Site.

55. Completion of the Work.

a. Within 90 days after Respondents conclude that all phases of the Work (including O & M for all Remedial Actions), have been fully performed-for a ROD Implementation Area, Respondents shall schedule and conduct a pre-certification inspection to be attended by Respondents, EPA, DTSC and RWQCB. If, after the pre-certification inspection, the Respondents still believes that the Work has been fully performed for that ROD Implementation Area, Respondents shall submit a written report by a professional engineer registered in the State stating that the Work has been completed in full satisfaction of the requirements of this Order. The report shall contain the following statement, signed by a responsible corporate official of a Respondents or the Respondents' Project Coordinator:

To the best of my knowledge, after thorough investigation, I certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

b. If, after review of the written report, EPA, after consultation with DTSC and RWQCB, determines that any portion of the Work has not been completed for the ROD Implementation Area in accordance with this Order, EPA will notify Respondents in writing of the activities that must be undertaken by Respondents pursuant to this Order to complete the Work, provided, however, that EPA may only require Respondents to perform such activities pursuant to this Paragraph to the extent that such activities are consistent with the scope of the remedy selected in the ROD. EPA will set forth in the notice a schedule for performance of such activities consistent with the Order and the SOW or require the Respondents to submit a schedule to EPA for approval pursuant to Section XIV (EPA Approval of Plans and Other Submissions). Respondents shall perform all activities described in the notice in accordance with the specifications and schedules established therein, subject to Respondents' right to invoke the dispute resolution procedures set forth in Section XXIII (Dispute Resolution).

c. If EPA concludes, based on the initial or any subsequent request for Certification of Completion of the Work for the ROD Implementation Area by Respondents, and after consultation with DTSC and RWQCB, that the Work in that ROD Implementation Area has been performed in accordance with this Order, EPA will so notify the Respondents in writing. That written notification shall constitute the Certificate of Completion of the Work for the ROD Implementation Area.

d. After EPA has issued a Certification of Completion of the Work for each ROD Implementation Area within the Site, EPA shall certify in writing to Respondents that the Work for the entire Site has been performed in accordance with this Order. This certification shall constitute a Certification of Completion of the Work for the Site.

## **XVIII. EMERGENCY RESPONSE**

56. In the event of any action or occurrence during the performance of the Work which causes or threatens a release of hazardous substances at the Site that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, the Respondent that owns the property where the release has been caused or threatened shall, subject to Paragraph 57, immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, and shall immediately notify EPA's, DTSC's and RWQCB's Project Coordinators. If EPA's Project Coordinator is unavailable, EPA's Alternate Project Coordinator must be notified. If neither of these EPA persons is available, that Respondent shall notify the EPA Emergency Response Unit, Region 9. That Respondent shall take such actions in consultation with EPA's Project Coordinator or other available authorized EPA officer and in accordance with all applicable provisions of the Pre RMPs, the Contingency Plans, and any other applicable plans or documents developed pursuant to the SOW. In the event that the Respondents fail to take appropriate response action as required by this Section and EPA takes such action instead, Respondents shall reimburse EPA for all costs of the response action not inconsistent with the NCP, pursuant to Section XIX (Payments for Response Costs).

57. Nothing in the preceding Paragraph or in this Order shall be deemed to limit any authority of the United States or the State, including DTSC and RWQCB, to a) take all appropriate action to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of hazardous substances on, at, or from the Site, or b) direct or order such action, or seek an order from a Court, to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of Waste Material on, at, or from the Site.

## **XIX. PAYMENTS FOR EPA FUTURE RESPONSE COSTS**

58. The amounts to be paid by Respondents pursuant to Paragraph 59 shall be deposited in the HPS Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

### **59. Payments for EPA Future Response Costs.**

a. Respondents shall pay to EPA all EPA Future Response Costs not inconsistent with the National Contingency Plan. Except as provided in Paragraph 59.c below, EPA will send Respondents, on a periodic basis, a bill requiring

payment that includes a standard Regionally-prepared cost summary, which includes direct and indirect costs incurred by EPA and its contractors. Respondents shall make all payments within 30 days of Respondents' receipt of each bill requiring payment, except as otherwise provided in Paragraph 60. Respondents shall make all payments required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the party making the payment, and EPA Site/Spill ID Number #XXXXXX Respondents shall send the check(s) to:

U.S. Environmental Protection Agency  
Attn: Region 9 Receivables  
P.O. Box 371099M  
Pittsburgh, PA 15251

b. At the time of payment under Paragraph 69.a or 59.c, Respondents shall send notice that payment has been made to EPA and to the Regional Financial Management Officer, in accordance with Section XXXV (Notices and Submissions).

c. Within 30 days of the Effective Date, Respondents shall pay to EPA \$ [to be determined] in prepayment of anticipated EPA Future Response Costs. The total amount paid shall be deposited by EPA in the HPS Special Account, within the EPA Hazardous Substance Superfund. These funds shall be retained and used by EPA to conduct or finance future response actions. Respondents shall make the payment required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund, " referencing the name and address of the party making the payment, and EPA Site/Spill ID Number #XXXX Respondents shall send the check(s) to:

U.S. Environmental Protection Agency  
Attn: Region 9 Receivables  
P.O. Box 371099M  
Pittsburgh, PA 15251

In the event that the payments required by this subparagraph are not made within 60 days of the Effective Date, Respondents shall pay Interest on the unpaid balance. The Interest on EPA Future Response Costs shall begin to accrue on the thirtieth day following the Effective Date. The Interest shall accrue through the date of the Respondents' payment.

d. After EPA issues its written Certification of Completion of Work and EPA has performed a final accounting of EPA Future Response Costs, EPA shall offset the final bill for EPA Future Response Costs by any unused amount paid by the Respondents pursuant to Paragraph 59.a or Paragraph 59.c. Any amount in excess of amounts due to EPA shall be returned to Respondents.

60. Respondents may contest payment of any EPA Future Response Costs under Paragraph 59 if Respondents determines that EPA has made an

accounting error or if Respondents alleges that a cost item that is included represents costs that are inconsistent with the NCP or if the cost is outside the definition of EPA Future Response Costs. Such objection shall be made in writing within 30 days of receipt of the bill and must be sent to EPA pursuant to Section XXXV (Notices and Submissions). Any such objection shall specifically identify the contested EPA Future Response Costs and the basis for objection. In the event of an objection, the Respondents shall within the 30-day period pay all uncontested EPA Future Response Costs to EPA in the manner described in Paragraph 59. Simultaneously, the Respondents shall establish an interest-bearing escrow account in a federally-insured bank duly chartered in the State and remit to that escrow account funds equivalent to the amount of the contested EPA Future Response Costs. The Respondents shall send to EPA, as provided in Section XXXV (Notices and Submissions), a copy of the transmittal letter and check paying the uncontested EPA Future Response Costs, and a copy of the correspondence that establishes and funds the escrow account, including, but not limited to, information containing the identity of the bank and bank account under which the escrow account is established as well as a bank statement showing the initial balance of the escrow account. Simultaneously with establishment of the escrow account, the Respondents shall initiate the Dispute Resolution procedures in Section XXIII (Dispute Resolution). If EPA prevails in the dispute, within 5 days of the resolution of the dispute, the Respondents shall pay the sums due (with accrued interest) to EPA in the manner described in Paragraph 59. If Respondents prevail concerning any aspect of the contested costs, the Respondents shall pay that portion of the costs (plus associated accrued interest) for which Respondents did not prevail to the United States in the manner described in Paragraph 59; Respondents shall be disbursed any balance of the escrow account. The dispute resolution procedures set forth in this Paragraph in conjunction with the procedures set forth in Section XXIII (Dispute Resolution) shall be the exclusive mechanisms for resolving disputes regarding the Respondents' obligation to reimburse EPA for its EPA Future Response Costs.

61. In the event that the payments required by Paragraph 59.a. are not made within 30 days of the Respondents' receipt of the bill, Respondents shall pay Interest on the unpaid balance. The Interest on EPA Future Response Costs shall begin to accrue on the date of the bill.

62. Payment of DTSC Future Response Costs.

a. As of the Effective Date of this Order, Respondents shall pay all of DTSC's Future Response Costs related to the Work performed under this Order. DTSC will bill Respondents quarterly for its response costs. Respondents shall pay DTSC within sixty (60) days of date of invoice. Any billing not paid within sixty (60) days is subject to State Interest calculated from the date of the invoice pursuant to California Health and Safety Code section 25360.1. All payments made by Respondents pursuant to this Order shall be by cashier's or certified check made payable to "DTSC," and shall bear on the face the project code of the Site (Site \_\_\_\_ ) and the Docket number of this Order. Payments shall be sent to:

Department of Toxic Substances Control  
Accounting/Cashier

1001 I Street, 21<sup>st</sup> Floor  
P.O. Box 806  
Sacramento, California 95812-0806

A photocopy of all payment checks shall also be sent to the person designated by DTSC to receive submittals under this Order.

b. If Respondents disputes a DTSC billing, or any part thereof, Respondents shall notify DTSC's assigned project manager and attempt to informally resolve the dispute with DTSC's project manager and branch chief. If Respondents desires to formally request dispute resolution with regard to the billing, Respondents shall file a request for dispute resolution in writing within 45 days of the date of the billing in dispute. The written request shall describe all issues in dispute and shall set forth the reasons for the dispute, both factual and legal. If the dispute pertains only to a portion of the costs included in the invoice, Respondents shall pay all costs which are undisputed in accordance with Subparagraph 62.a. The filing of a notice of dispute pursuant to this Paragraph shall not stay the accrual of DTSC interest on any unpaid costs pending resolution of the dispute. The written request shall be sent to:

Special Assistant for Cost Recovery and Reimbursement Policy  
Department of Toxic Substances Control  
P.O. Box 806  
Sacramento, CA 95812-0806

A copy of the written request for dispute resolution shall also be sent to the person designated by DTSC to receive submittals under this Order. A decision on the billing dispute will be rendered by the Special Assistant for Cost Recovery and Reimbursement Policy or other DTSC designee.

63. Payment of RWQCB Future Response Costs

a. As of the Effective Date of this Order, the Respondents are liable for all of the RWQCB's costs related to the Work performed under this Order in responding to the hazardous materials at the Site. Cost recovery may be pursued by the RWQCB under CERCLA, California Health and Safety Code Sections 25187.2 and 25360, California Water Code Sections 13304 and 13365, or any other applicable state or federal statute or common law. The RWQCB will bill the Respondents quarterly for oversight activities performed by the RWQCB hereunder. The Respondents shall pay the RWQCB within sixty (60) days of receipt of the RWQCB's billing. Any billing not paid within sixty (60) days is subject to State Interest calculated from the date of the billing pursuant to California Health and Safety Code section 25360.1. All payments made by the Respondents pursuant to this Order shall be by cashier's check or certified check made payable to the RWQCB and shall bear on the face the project code of the Site. Payments to the RWQCB shall be sent to:

State Water Resources Control Board  
SLIC Program  
P.O. Box 944212



Sacramento, CA 94244-2120

A photocopy of all payment checks shall also be sent to the person designated by the RWQCB to receive submittals under this Order.

b. If Respondents disputes a RWQCB billing, or any part thereof, Respondents shall notify the RWQCB's assigned project manager and attempt to informally resolve the dispute with the RWQCB's project manager and immediate supervisor. If Respondents desires to formally request dispute resolution with regard to the billing, Respondents shall file a request for dispute resolution in writing within 45 days of the date of the billing in dispute. The written request shall describe all issues in dispute and shall set forth the reasons for the dispute, both factual and legal. If the dispute pertains only to a portion of the costs included in the invoice, Respondents shall pay all costs which are undisputed in accordance with Subparagraph 63.a. The filing of a notice of dispute pursuant to this Paragraph shall not stay the accrual of RWQCB interest on any unpaid costs pending resolution of the dispute. The written request shall be sent to:

**RWQCB Address/POC**

A copy of the written request for dispute resolution shall also be sent to the person designated by the RWQCB to receive submittals under this Order. A decision on the billing dispute will be rendered by Mr. Landau, or his designee.

## **XX. INDEMNIFICATION AND INSURANCE**

### **64. Respondents' Indemnification of the United States and State.**

a. The United States does not assume any liability by entering into this agreement. Respondents shall indemnify, save and hold harmless the United States and the State and their officials, agents, employees, contractors, subcontractors, or representatives for or from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Respondents, their officers, directors, employees, agents, contractors, subcontractors, and any persons acting on its behalf or under its control, in carrying out activities pursuant to this Order. Further, the Respondents agree to pay the United States and the State all costs they incur including, but not limited to, attorneys fees and other expenses of litigation and settlement arising from, or on account of, claims made against the United States or the State based on negligent or other wrongful acts or omissions of Respondents, their officers, directors, employees, agents, contractors, subcontractors, and any persons acting on their behalf or under their control, in carrying out activities pursuant to this Order. Neither the United States nor the State shall be held out as a party to any contract entered into by or on behalf of Respondents in carrying out activities pursuant to this Order.

Neither the Respondents nor any such contractor shall be considered an agent of the United States or the State.

b. The United States and the State shall give Respondents notice of any claim for which the United States or the State plans to seek indemnification pursuant to Paragraph 64.a. and shall consult with Respondents prior to settling such claim.

c. Nothing in this Paragraph 64 or Paragraph 65 shall be construed to waive or in any way limit any rights Respondents may have against the United States as a result of acts or omissions for which the United States Navy is responsible, including but not limited to rights under CERCLA or Section 330 of the FY 1992 National Defense Authorization Act, as amended or under the Conveyance Agreement for Hunters Point Shipyard between the United States Navy and SFRA on \_\_\_\_\_, or under any deed to be executed by the Navy for any portion of the Site.

65. Respondents waives all claims against the United States and the State, including DTSC and RWQCB, for damages or reimbursement or for set-off of any payments made or to be made to the United States or DTSC and RWQCB arising from or on account of any contract, agreement, or arrangement between Respondents and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays. In addition, Respondents shall indemnify and hold harmless the United States and the State, including DTSC and RWQCB, with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between Respondents and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays, provided, however, that nothing herein shall limit Respondents' right to claim that any delays caused by the United States and/or State, including the DTSC and RWQCB, constitute a force majeure event under this Agreement.

66. No later than 15 days before commencing any on-site Work, Respondents shall secure, and shall maintain until the first anniversary of EPA's last Certification of Completion of the Remedial Action applicable to the Site pursuant to Section XVII (Certification of Completion), comprehensive general liability insurance with limits of five (5) million dollars, combined single limit, and automobile liability insurance with limits of one (1) million dollars, combined single limit, naming the United States, DTSC, and RWQCB as additional insureds. In addition, for the duration of this Order, Respondents shall satisfy, or shall ensure that their contractors or subcontractors satisfy, all applicable laws and regulations regarding the provision of worker's compensation insurance for all persons performing the Work on behalf of Respondents in furtherance of this Order. Prior to commencement of the Work under this Order, Respondents shall provide to EPA, DTSC and RWQCB certificates of such insurance and a copy of each insurance policy. Respondents shall resubmit such certificates and copies of policies each year on the anniversary of the Effective Date. If Respondents demonstrates by evidence satisfactory to EPA, DTSC and RWQCB that any contractor or subcontractor maintains insurance equivalent to that described above, or insurance covering the same risks but in a lesser amount, then, with respect to that contractor or subcontractor,

Respondents need provide only that portion of the insurance described above which is not maintained by the contractor or subcontractor.

## **XXI. FORCE MAJEURE**

67. "Force majeure " for purposes of this Order, is defined as any event arising from causes beyond the control of the Respondents, of any entity controlled by Respondents, or of Respondents' contractors, that delays or prevents the performance of any obligation under this Order despite Respondent's best efforts to fulfill the obligation. Without limitation, a court-ordered injunction or stop work order related to any Work required by this Order is considered to be a force majeure event. In addition, Respondents's inability to perform Work required under this Order due to the Navy's failure or delay in addressing a Navy Retained Condition, or any other breach of the ETCA by the Navy, shall be considered a force majeure event. The requirement that the Respondents exercise best efforts to fulfill the obligation includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any potential force majeure event (1) as it is occurring and (2) following the potential force majeure event, such that the delay is minimized to the greatest extent possible. "Force Majeure" does not include a failure to attain the Remedial Action Objectives or financial inability to complete the Work, except to the extent that a failure by the Navy to fund all or a portion of the ETCA delays or prevents performance of obligations under this Order that are funded by the ETCA. Except as otherwise provided in this Paragraph 67, "Force Majeure" shall not, except as set forth above, include any delays caused by any disputes between the Navy and/or Respondents or any successors in title to the Site. Any delays caused by disagreements between or among EPA, DTSC and/or RWQCB and/or the Navy, or any other regulatory agency with jurisdiction over any matter herein, shall be considered out of Respondents' control, shall be considered a force majeure event, and Respondents shall have no obligation under this Order to mitigate the effects of such force majeure event.

68. If any event occurs or has occurred that may delay the performance of any obligation under this Order, whether or not caused by a force majeure event, the Respondents shall notify orally EPA's Project Coordinator, DTSC's Project Coordinator and RWQCB's Project Coordinator or, in his or her absence, their Alternate Project Coordinators or, in the event both of EPA's designated representatives are unavailable, the Director of the Superfund Division, EPA Region 9, within 48 hours of when Respondents first knew that the event might cause a delay. Within 14 days thereafter, Respondents shall provide in writing to EPA, DTSC and RWQCB an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; the Respondents's rationale for attributing such delay to a force majeure event if Respondents intend to assert such a claim; and a statement as to whether, in the opinion of the Respondents, such event may cause or contribute to an endangerment to public health, welfare or the environment. The Respondents shall include with any notice all available

documentation supporting Respondents' claim that the delay was attributable to a force majeure event. Failure to comply with the above requirements shall preclude Respondents from asserting any claim of force majeure for that event for the period of time of such failure to comply, and for any additional delay caused by such failure. Respondent shall be deemed to know of any circumstance of which Respondent, any entity controlled by Respondent, or Respondent's contractors knew or should have known.

69. If EPA, after consultation with DTSC and RWQCB, agrees that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Order that are affected by the force majeure event will be extended by EPA, after consultation with DTSC and RWQCB, for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. If EPA, after consultation with DTSC and RWQCB, does not agree that the delay or anticipated delay has been or will be caused by a force majeure event, EPA will notify the Respondents in writing of its decision. If EPA, after consultation with DTSC and RWQCB, agrees that the delay is attributable to a force majeure event, EPA will notify the Respondents in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

70. If the Respondents elect to invoke the dispute resolution procedures set forth in Section XXIII (Dispute Resolution), Respondents shall do so no later than 15 days after receipt of EPA's notice. In any such proceeding, Respondents shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been or will be caused by a force majeure event, that the duration of the delay or the extension sought was or will be warranted under the circumstances, that best efforts were exercised to avoid and mitigate the effects of the delay, and that Respondents complied with the requirements of Paragraphs 67 and 68, above. If Respondents carry this burden, the delay at issue shall be deemed not to be a violation by Respondents of the affected obligation of this Order identified to EPA.

## **XXII. EPA, DTSC AND RWQCB DISPUTE PROCESS**

71. If disagreements or disputes arise during the consultation process between EPA, DTSC and RWQCB under this Order, EPA, DTSC and RWQCB agree to use the process outlined in this Paragraph to resolve such disputes. EPA, DTSC and RWQCB shall, whenever possible, make decisions by consensus at the Project Coordinator level. In the event a consensus decision cannot be reached by the EPA, DTSC and RWQCB Project Coordinators concerning the approval of a document or deliverable required by this Order, a meeting or telephone conference shall be scheduled and held within five (5) days of DTSC and/or RWQCB raising the dispute among EPA, DTSC and RWQCB Project Coordinators and their immediate supervisors to reach a consensus decision. If consensus cannot be reached by the immediate supervisors, the dispute shall be

immediately elevated to the EPA Region 9 Assistant Director of the Federal Facility and Site Cleanup Branch, the DTSC Supervising Hazardous Substances Engineer II, XXXXXX Office, Brownfields and Environmental Restoration Program, and the RWQCB Section Chief, Site Cleanup Section, who shall meet or confer by telephone within ten (10) days of the meeting or telephone conference discussed above in an attempt to resolve the dispute through consensus. If no consensus can be reached, the dispute shall be immediately elevated to the EPA Region 9 Director of the Superfund Division, the DTSC Deputy Director for Site Mitigation and Brownfields Reuse, and the RWQCB Executive Officer, who shall meet or confer by telephone within ten (10) days of the meeting or telephone conference discussed in the previous sentence in an attempt to resolve the dispute through consensus. If no consensus can be reached, the decision applicable to Respondents shall be the final decision made by the EPA Region 9 Director of the Superfund Division. By agreeing to this decision making process, DTSC and RWQCB do not waive any right or claim each agency may have for relief, and reserve any authority they may have under federal or state law to require Waste Material cleanups compliant with such law.

### **XXIII. DISPUTE RESOLUTION**

72. The dispute resolution procedures of this Section shall be utilized to resolve disputes between Respondents and EPA arising under or with respect to this Order. Prior to the exercise of any other rights or remedies Respondents may have under applicable law to object to or challenge a decision of any other Party to this order. However, the procedures set forth in this Section shall not apply to actions by EPA to enforce obligations of the Respondents that have not been disputed in accordance with this Section.

73. Any dispute which arises under or with respect to an EPA decision under this Order shall in the first instance be the subject of informal negotiations between the parties to the dispute. The period for informal negotiations shall not exceed 20 days from the time the dispute arises, unless it is modified by written agreement of the parties to the dispute. The dispute shall be considered to have arisen when Respondents sends the other Parties a written Notice of Dispute.

74. Statements of Position. In the event that the Parties cannot resolve a dispute by informal negotiations under the preceding Paragraph, then the position advanced by EPA, except on disputes regarding DTSC or RWQCB Future Response Costs reimbursement, shall be final unless within 14 days after the conclusion of the informal negotiation period, Respondents invokes the formal dispute resolution procedures of this Section by serving on EPA, with copies concurrently provided to DTSC and RWQCB, a written Statement of Position on the matter in dispute, including, but not limited to, any factual data, analysis or opinion supporting that position and any position and any supporting documentation relied upon by the Respondents.

75. Within 21 days after receipt of Respondents' Statement of Position, EPA will serve on all other parties its Statement of Position, including, but not limited to, any factual data, analysis, or opinion supporting that position and all supporting documentation relied upon by EPA. Within 7 working days after receipt of EPA's Statement of Position, Respondents may submit a Reply. DTSC and RWQCB may also file a Statement of Position for EPA's consideration on the disputed matter no later than 7 days from receipt of EPA's Statement of Position.

76. Following receipt of all statements to be submitted pursuant to Paragraphs 74 and 75, the Director of the Superfund Division, EPA Region 9 will issue a final decision resolving the dispute. The Superfund Division Director's decision shall be final. The invocation of formal dispute resolution procedures under this section shall not restrict Respondents rights and remedies available under applicable law.

77. The invocation of formal dispute resolution procedures under this Section shall not extend, postpone or affect in any way any obligation of the Respondents under this Order, not directly in dispute, unless EPA, after consultation with DTSC and RWQCB, agrees otherwise. . In the event that the Respondents do not prevail on the disputed issue, stipulated penalties may be assessed and shall be paid as provided in Section XXIV (Stipulated Penalties), **except any stipulated penalties accruing during a dispute resolution period that are waived by EPA pursuant to Paragraph 83 below** If respondents prevail on the dispute issue, the stipulated penalties shall be discharged.

#### **XXIV. STIPULATED PENALTIES**

78. A Respondent shall be liable for stipulated penalties in the amounts set forth in Subparagraphs 78.a. and b. to EPA, DTSC, and RWQCB, with 50% of such penalties to be paid to EPA and 50% to DTSC and RWQCB, for failure to comply with the requirements of this Order specified below, unless excused under Section XXI (Force Majeure). Payment of stipulated penalties to DTSC and RWQCB shall be split evenly, unless otherwise directed in the demand letter set forth in Paragraph 81. "Compliance" by a Respondent shall include completion of the activities required to be completed by that Respondent under this Order or any work plan or other plan approved under this Order identified below in accordance with all applicable requirements of law, this Order, the SOW, and any plans or other documents approved by EPA pursuant to this Order and within the specified time schedules established by and approved under this Order. Except with respect to an emergency or other situation described in Section 56 above, a Respondent shall not be liable for the stipulated penalties set forth in this Section as a result of the failure of the other Respondent to comply with the Order.

a. Stipulated Penalty Amounts – Work, including Payment of Future Response Costs.

The following stipulated penalties shall accrue per violation per day for any noncompliance identified in Subparagraph (i):

**Amounts are City's proposal Need to discuss further**

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$500	1st through 30th day
\$1,500	30th through 45th day
\$15,000	45th day and beyond

i. Compliance Milestones. The following shall constitute general categories of “compliance milestones” subject to stipulated penalties under Paragraph 78.a. Specific documents within Paragraph 78.a (1) – (6) shall be subject to the stipulated penalties set forth above to the extent such documents have been designated “critical path” documents by Respondents in each Monthly Progress Report and subject to reasonable approval by EPA.

- 1) Remedial Design Document
- 2) Remedial Action Workplan
- 3) Institutional Controls Implementation Plan
- 4) Operations and Maintenance Plan
- 5) Remedial Action Completion Report
- 6) Work Status Report
- 7) Late Payment of EPA, DTSC, or RWQCB Future Response Costs
- 8) Failure to comply with any use restrictions selected in the RODs
- 9) Failure to provide access pursuant to Paragraph 35

b. Stipulated Penalty Amounts - Reports.

The following stipulated penalties shall accrue per violation per day for failure to submit timely or adequate reports or other written documents not within the scope of Subparagraph 78.a. (1) above, and any other violation of this Order:

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$250	1st through 30th day
\$1,000	30th through 45th day
\$10,000	45th day and beyond

79. All penalties shall begin to accrue on the day [after EPA has given Respondents written notice of noncompliance pursuant to Paragraph 80] performance is due or the day a violation occurs and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. However, stipulated



penalties shall not accrue: (1) with respect to a deficient submission under Section XIV (EPA Approval of Plans and Other Submissions), during the period, if any, beginning on the 31st day after EPA's receipt of such submission until the date that EPA notifies Respondent of any deficiency except as set forth in Paragraph 48; (2) with respect to a decision by the Director of the Superfund Division, EPA Region 9, under Paragraph 76 of Section XXIII (Dispute Resolution), during the period, if any, beginning on the 21st day after the date that Respondents' reply to EPA's Statement of Position is received until the date that the Director issues a final decision regarding such dispute— Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Order.

80. Following EPA's determination that Respondents have failed to comply with a requirement of this Order, EPA shall give Respondents written notification of the same and describe the noncompliance. After this notification and a 30 day period in which Respondents can cure the noncompliance EPA may send the Respondents a written demand for the payment of the penalties. EPA is willing to allow an opportunity to cure for certain failures but not all.

81. All penalties accruing under this Section shall be due and payable within 30 days of the Respondents' receipt from EPA of a demand for payment of the penalties, unless Respondents invokes the Dispute Resolution procedures under Section XXIII (Dispute Resolution). All payments to EPA under this Section shall be paid by certified or cashier's check(s) made payable to "EPA Hazardous Substances Superfund," shall be mailed to U.S. Environmental Protection Agency, Attn: Region 9 Receivables, P.O. Box 37109M, Pittsburgh PA 15262-0001, shall indicate that the payment is for stipulated penalties, and shall reference the EPA Region and Site/Spill ID #0941. Copies of check(s) paid pursuant to this Section, and any accompanying transmittal letter(s), shall be sent to EPA, DTSC, and RWQCB as provided in Section XXXV (Notices and Submissions). All payments to DTSC and RWQCB under this Section shall be due and payable within 30 days of the Respondents' receipt from DTSC and the RWQCB of a demand for payment of the penalties, unless Respondents invokes the Dispute Resolution procedures under Section XXIII (Dispute Resolution). All payments to DTSC under this section shall be paid by cashier's or certified check made payable to "DTSC," and shall bear on the face the Docket number of this Order. Payments shall be sent to:

Department of Toxic Substances Control  
Accounting/Cashier  
1001 I Street, 21<sup>st</sup> Floor  
P.O. Box 806  
Sacramento, California 95812-0806

All payments to RWQCB under this section shall be paid by certified or cashier's check(s) made payable to the State Water Resources Control Board Cleanup and Abatement Account and shall bear on the face the Docket number of this Order. Payment shall be sent to **California Regional Water Quality Control Board, Central Valley Region, 11020 Sun Center Drive, #200, Rancho Cordova, CA 95670. [Note: Correct region?]**



82. The payment of penalties shall not alter in any way Respondents' obligation to complete the performance of the Work required under this Order.

83. Penalties shall continue to accrue as provided in Paragraph 89 during any dispute resolution period, [except that such penalties shall be waived if EPA, after consultation with DTSC and RWQCB, determines that Respondent's failure to comply resulted from a good faith belief that its actions or omissions were in compliance with this Order, and Respondent's failure to comply did not result in actual or threatened harm to human health or the environment.] **Why would we include this language?** Any such penalties not waived need not be paid until the following: If the dispute is resolved by agreement, or by a decision of EPA, accrued penalties determined to be owing shall be paid to EPA within 30 days of the agreement or the receipt of EPA's decision or order. If Respondents prevail on the disputed issue, the stipulated penalties shall be discharged;

84. If Respondents fail to pay stipulated penalties when due, EPA may institute proceedings to collect the penalties, as well as interest. Respondents shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 80.

85. Nothing in this Order shall be construed as prohibiting, altering, or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondents' violation of this Order or of the statutes and regulations upon which it is based, including, but not limited to, penalties pursuant to Section 122(l) of CERCLA, provided, however, that EPA shall not seek civil penalties pursuant to Section 122(l) of CERCLA for any violation for which a stipulated penalty is provided herein, except in the case of a willful violation of the Order.

86. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this Order.

## *XXV. Covenant Not to Sue by EPA*

87. In consideration of the actions that will be performed and the payments that will be made by Respondents under the terms of this Order, and except as otherwise specifically provided in this Order, EPA covenants not to sue or to take administrative action against Respondents pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for Existing Contamination. This covenant not to sue shall take effect upon the Effective Date and is conditioned upon the continuing and satisfactory performance by Respondents of all obligations under this Order, including, but not limited to, payment of Future Response Costs pursuant to Section XIX. This covenant not to sue is also conditioned upon the veracity of information provided to EPA by the Respondents in this Order. **Except as provided in paragraph 20, this covenant not to sue extends only to Respondents and does not extend to any other person.**

**XXVI. RESERVATIONS OF RIGHTS BY EPA**

88. Except as specifically provided in this Order, nothing herein shall limit the power and authority of EPA to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing herein shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Order, from taking other legal or equitable action as it deems appropriate and necessary, or from requiring Respondents in the future to perform additional activities pursuant to CERCLA or any other applicable law.

89. The covenant not to sue set forth in Section XXV above does not pertain to any matters other than those expressly identified therein. EPA reserves, and this Order is without prejudice to, all rights against Respondents with respect to all other matters, including, but not limited to:

- a. claims based on a failure by Respondents to meet a requirement of this Order;
- b. liability based on Respondents' transportation, treatment, storage, or disposal, or the arrangement for the transportation, treatment, storage, or disposal of Waste Material at or in connection with the Site, other than as provided in a ROD, this Order, or otherwise ordered by EPA, after signature of this Order by the Respondents;
- c. criminal liability;
- d. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments arising from negligent acts or omissions of the Respondents or their contractors;
- e. liability arising from the past, present, or future disposal, release or threat of release of Waste Materials outside of the Site
- f. liability for violations of federal or state law which occur during or after implementation of Removal or Remedial Actions; and
- g. liability for additional response actions that EPA determines are necessary to achieve Remedial Action Objectives.

**XXVII. DTSC AND RWQCB COVENANT NOT TO SUE**

90. In consideration of the actions that will be performed and the payments that will be made by Respondents under the terms of this Order, and except as otherwise

specifically provided in this Order, DTSC and RWQCB covenant not to sue or to take administrative action against Respondents pursuant to Section 107(a) of CERCLA, 42 U.S.C. §9607(a), or Section 7003 of RCRA, 42 U.S.C. 6973 for Existing Contamination. This covenant not to sue shall take effect upon the Effective Date and is conditioned upon the continuing and satisfactory performance by Respondents of all obligations under this Order, including, but not limited to, payment of Future Response Costs pursuant to Section XIX. This covenant not to sue is also conditioned upon the veracity of information provided to DTSC and RWQCB by the Respondents in this Order. Except as provided in paragraph 20, this covenant not to sue extends only to Respondents and does not extend to any other person.

#### **XXVIII. DTSC AND RWQCB RESERVATIONS OF RIGHTS**

91. The covenant not to sue by DTSC and RWQCB set forth in Section XXVII does not pertain to any matters other than those expressly identified therein. DTSC and RWQCB reserve, and this Order is without prejudice to, all rights against Respondents with respect to all other matters, including but not limited to:

(a) claims based on a failure by Respondents to meet a requirement of this Order;

(b) liability for costs incurred or to be incurred by the State that are not reimbursed by Respondents pursuant to this Order, except for Navy-Retained Conditions;

(c) liability for performance of response actions other than the Work approved under the Order performed by Respondents pursuant to this Order, except for Navy-Retained Conditions;

(d) criminal liability;

(e) liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

(f) liability arising from the past, present, or future disposal, release, or threat of release of Waste Materials outside of the Site unless such waste material constitute Navy-Retained Conditions; and

(g) liability for violations of local, state or federal law or regulations.

#### **BY RESPONDENTS**

92. Respondents covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, or the State, or its contractors and employees, with respect to Existing Contamination, Future Response Costs, or this Order, including, but not limited to:

- a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;
- b. any claims against the United States, including any department, agency or instrumentality of the United States under CERCLA Sections 107 or 113 related to the Work required by this Order; or
- c. any claim arising out of the Work or arising out of the response actions for which the Future Response Costs have or will be incurred, including any claim under the United States Constitution, the State Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law.
- d. These covenants not to sue do not apply to any claim or cause of action Respondents may have against the United States as a result of acts or omissions for which the United States Navy is responsible, including but not limited to rights under CERCLA or Section 330 of the FY 1992 National Defense Authorization Act, as amended or under the Conveyance Agreement for Hunters Point Shipyard between the United States Navy and SFRA on \_\_\_\_\_, or under any deed to be executed by the Navy for any portion of the Site.

93. These covenants not to sue shall not apply in the event the United States brings a cause of action or issues an order pursuant to the reservations set forth in Paragraph 89 (b), (c), (d), and (f) - (g), but only to the extent that Respondents' claims arise from the same response action, response costs, or damages that the United States is seeking pursuant to the applicable reservation.

94. Nothing in this Order shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d)

### **XXX. OTHER CLAIMS**

95. By issuance of this Order, the United States, including EPA, the Navy and the State, including DTSC and RWQCB, assume no liability for injuries or damages to persons or Site resulting from any acts or omissions of Respondents.

96. This order shall not be construed to give rise to any right to judicial review, not otherwise provided by applicable law, of any action or decision by EPA pursuant to this Order, including selection of further response actions by EPA and the Navy

### **XXXI. CONTRIBUTION**

97. Nothing in this Agreement precludes the United States, the State, or Respondents from asserting any claims, causes of action, or demands for indemnification, contribution, or cost recovery against any person not a party to this Order, including any claim Respondents may have pursuant to Section 107(a)(4)(B). Nothing herein

diminishes the right of the United States, pursuant to Sections 113(f)(2) and (3) of CERCLA, 42 U.S.C. § 9613(f)(2),(3), to pursue any such persons to obtain additional response costs or response actions and to enter into settlements that give rise to contribution protection pursuant to Section 113(f)(2).

98. In the event of a suit or claim for contribution brought against Respondents, notwithstanding the provisions of Section 107(r)(1) of CERCLA, 42 U.S.C. § 9607(r)(1), with respect to Existing Contamination (including any claim based on the contention that either Respondents is not a BFPP, or has lost its status as a BFPP as a result of actions taken in compliance with this Order or at the directions of EPA's RPM, EPAHQ the Parties agree that this Order shall then constitute an administrative settlement for purposes of Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), and that Respondents would be entitled, from the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Order. The "matters addressed" in this Order are all response actions taken or to be taken and all response costs incurred or to be incurred by the United States, DTSC, RWQCB or Respondents with respect to Existing Contamination.

99. In the event Respondents were found, in connection with any action or claim it may assert to recover costs incurred or to be incurred with respect to Existing Contamination, not to be a BFPP, or to have lost its status as a BFPP as a result of actions taken in compliance with this Order or at the directions of EPA's RPM, the Parties agree that this Order shall then constitute an administrative settlement within the meaning of Section 113(f)(3)(B) of CERCLA, 42 U.S.C. § 9613(f)(3)(B), pursuant to which Respondents have resolved their liability for all response actions taken or to be taken and all response costs incurred or to be incurred by EPA, DTSC, RWQCB or by any other person with respect to Existing Contamination.

100. Respondents agree that with respect to any suit or claim brought by it for matters related to this Order they will notify EPA, DTSC, and RWQCB in writing no later than 60 days prior to the initiation of such suit or claim.

101. Respondents also agree that with respect to any suit or claim for contribution brought against it for matters related to this Order they will notify in writing EPA, DTSC, and RWQCB within 10 days of service of the complaint on it.

## **XXXII. NONCOMPLIANCE, STOP WORK AND DEFAULT DETERMINATIONS**

102. Respondents shall perform and complete all necessary response actions at the Site (*except for Navy-Retained Condition or activities outside of the Environmental Services*) in accordance with the SOW, CERCLA, the NCP, ARARs not otherwise waived, and relevant guidance.

103. Notices of Noncompliance and Stop Work. Following EPA's determination, after consultation with DTSC and RWQCB, that Respondents have failed to comply with a requirement of this Order, EPA shall give Respondents written notification of the same, with a copy to the Navy, DTSC, and RWQCB and describe the noncompliance ("Notice of Noncompliance"). EPA shall also give Respondents written notification that Respondents should stop work on all or any portion of its response action activities at the Site until EPA determines that Respondents have remedied such noncompliance ("Notice to Stop Work"). Upon receipt of a Notice to Stop Work, Respondents shall immediately stop work on all or any portion of its response action activities at the Site as specified in such notice, and shall remedy the noncompliance. Respondents shall resume such response action activities only upon receipt of written notification from EPA, after consultation with DTSC and RWQCB, that Respondents may proceed with such activities as specified in the notification.

104. Finding of Default. EPA, after consultation with DTSC and RWQCB, may determine that a Default has occurred in one or more of the following situations: (i) EPA has issued to Respondents two or more Notices of Noncompliance for significant noncompliance, with or without accompanying Notices to Stop Work, pursuant to Paragraph 103; (ii) EPA determines that either Respondent is implementing the Work in a manner that may cause endangerment to human health or the environment; (iii) EPA determines that either Respondent has effectively ceased to perform all or a portion of the Work for any reason, including lack of Navy funding through the ETCA, except for a Force Majeure event pursuant to Section XXI that results in only a temporary delay in performance; (iv) either Respondent misappropriates or misuses funds received under the ETCA; or (v) Respondents are substantially and consistently deficient or late in their performance of the Work. Prior to issuance of a Finding of Default, EPA shall provide Respondents in writing (with copies to the Navy, DTSC and RWQCB) with a Notice of Intent to Find Default and of the proposed basis for issuing a Finding of Default. Respondents may dispute the Notice of Intent to Find Default, in accordance with the process provided in Section XXIII (Dispute Resolution), and the Navy may participate in any such dispute resolution as provided in Section \_\_\_\_ of the Amended FFA (NOTE: Should the Navy be able to initiate dispute resolution not otherwise initiated by Respondents? EPA would say no, but see DR with respect to NRC). In the event of an EPA determination that a Default has occurred, either without Respondents having invoked the Dispute Resolution process in Section XXIII, or following the conclusion of such Dispute Resolution process, EPA will send Respondents a written Finding of Default, with copies to the Navy, DTSC, and RWQCB. The Finding of Default will provide the basis for EPA's determination and will specify whether Respondents may continue to perform the Work while the Navy prepares to resume response action activities under the Amended FFA.

105. Within thirty (30) days of Respondents' receipt of the Finding of Default, or such other time period specified by EPA, Respondents shall cease performance of the Work.

106. In the event that the Navy resumes performance of response action activities under the Amended FFA, Respondents shall fully cooperate in the orderly transfer of responsibilities for performance of the Work to the Navy

### **XXXIII. ACCESS TO INFORMATION**

107. Respondents shall provide to EPA, DTSC and RWQCB upon request, copies of all documents and information within Respondents' possession or control or that of its contractors or agents relating to activities at the Site or to the implementation of this Order, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Work. Respondents shall also make available to EPA, DTSC and RWQCB for purposes of investigation, information gathering, or testimony, Respondents' employees, agents, or representatives with knowledge of relevant facts concerning the performance of the Work.

a. Business Confidential and Privileged Documents. Respondents may assert business confidentiality claims covering part or all of the documents or information submitted to EPA, DTSC and RWQCB under this Order to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. § 2.203(b). Documents or information determined to be confidential by EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies documents or information when they are submitted to EPA, DTSC and RWQCB or if EPA has notified Respondents that the documents or information are not confidential under the standards of Section 104(e) (7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such documents or information without further notice to Respondents.

b. The Respondents may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Respondents asserts such a privilege in lieu of providing documents, Respondents shall provide EPA, DTSC and RWQCB with the following: (1) the title of the document, record, or information; (2) the date of the document, record, or information; (3) the name and title of the author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the contents of the document, record, or information; and (6) the privilege asserted by Respondents. However, no documents, reports or other information created or generated pursuant to the requirements of the Order shall be withheld on the grounds that they are privileged.

c. No claim of confidentiality shall be made with respect to any data, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

### **XXXIV. RETENTION OF RECORDS**



108. Until 10 years after the Respondents' receipt of EPA's notification pursuant to Paragraph 55.c. of Section XVII (Certification of Completion of the Work), Respondents, or their successors, shall preserve and retain all non-identical copies of the last draft or final version of any documents or records (including documents or records in electronic form) now in its possession or control or which come into its possession or control that relate in any manner to the performance of the Work, provided, however, that Respondents (and its contractors and agents) must retain, in addition, copies of all data generated during the performance of the Work and not contained in the aforementioned documents required to be retained. Each of the above record retention requirements shall apply regardless of any corporate retention policy to the contrary. **[NOTE: RESERVED FOR FURTHER MODIFICATIONS? BY WHOM?]**

109. At the conclusion of this document retention period, Respondents, or its successor, shall notify EPA, DTSC and RWQCB at least 90 days prior to the destruction of any such records or documents, and, upon request by EPA or DTSC, Respondents shall deliver any such records or documents to EPA, DTSC and RWQCB. Respondents may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Respondents assert such a privilege, Respondents shall provide EPA, DTSC and RWQCB with the following: (1) the title of the document, record, or information; (2) the date of the document, record, or information; (3) the name and title of the author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the subject of the document, record, or information; and (6) the privilege asserted by Respondents. However, no documents, reports or other information created or generated pursuant to the requirements of the Order shall be withheld on the grounds that they are privileged.

#### **XXXV. NOTICES AND SUBMISSIONS**

110. Whenever under the terms of this Order, written notice is required to be given or a report or other document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. All notices and submissions shall be considered effective upon receipt, unless otherwise provided. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Order with respect to EPA, DTSC, RWQCB and the Respondents, respectively.



As to the EPA:

Director, Superfund Division  
United States Environmental Protection Agency  
Region 9  
75 Hawthorne St.  
San Francisco, CA 94105

and

EPA Project Coordinator, SFD-8-1  
United States Environmental Protection Agency  
Region 9  
75 Hawthorne St.  
San Francisco, CA 94105

As to the Regional Financial Management Officer:

Chief, Cost Accounting  
United States Environmental Protection Agency  
Region 9  
75 Hawthorne St.  
San Francisco, CA 94105

As to the California Department of Toxic Substances Control:

**Anthony J. Landis, P.E.**

Chief  
Northern California Operations  
Office of Military Facilities  
Department of Toxic Substance Control  
8800 Cal Center Drive  
Sacramento, CA 95826

and

Project Manager  
Brownfields and Environmental Restoration Program  
Department of Toxic Substances Control

As to the San Francisco Bay Regional Water Quality Control Board:

Executive Officer  
California Regional Water Quality Control Board,  
San Francisco Bay Region

and

Project Manager  
California Regional Water Quality Control Board,  
San Francisco Bay Region

As to the Respondents:

#### **XXXVI. APPENDICES**

111. The following appendices are attached to and incorporated into this Order:

- A. Legal description of the Site
- B. Map of the Site
- C. Statement of Work
- D. ROD Implementation Areas**
- E. Land and Water Use Restrictions (NOTE: What is intended by the – the LUCs? The RMPs?)

#### **XXXVII. COMMUNITY RELATIONS**

112. Respondents shall prepare and submit for review and approval by EPA, in consultation with DTSC and RWQCB, a Community Relations Plan, as defined in the SOW. EPA, after consultation with DTSC and RWQCB, will determine the appropriate role for the Respondents under the Plan. Respondents shall also cooperate with EPA, DTSC, and RWQCB in providing information regarding the Work under this Order to the public. As requested by EPA, Respondents shall participate in the preparation of such information for dissemination to the public and in public meetings which may be held or sponsored by EPA to explain activities at or relating to the Site or the Work being conducted under this Order.

#### **XXXVIII. MODIFICATIONS**

113. EPA, after consultation with DTSC and RWQCB, may determine that in addition to tasks defined in the SOW, or initial approved work plans, other additional

work may be necessary to accomplish the Remedial Action Objectives . To the extent that such additional work is within the scope of the the RODs and does not otherwise constitute an amendment, modification or supplement to the RODs, EPA, after consultation with DTSC and RWQCB, may request in writing that Respondents perform these response actions and Respondents shall confirm its willingness to perform the additional work, in writing, to EPA, DTSC, and RWQCB within 14 days of receipt of EPA's request, or Respondents may invoke dispute resolution in accordance with Section XXIII. Subject to EPA resolution of any dispute, Respondents shall implement the additional tasks which EPA, after consultation with DTSC and RWQCB, determines are necessary. Any other requirements of this Order may be modified in writing by mutual agreement of the parties.

114. If Respondents seeks permission to deviate from any approved work plan or schedule or the SOW, except as otherwise provided for by field modifications to Remedial Action Work Plan. Respondents' Project Coordinator shall submit a written request to EPA, DTSC and RWQCB for approval outlining the proposed modification and its basis. Respondents may not proceed with the requested deviation until receiving written approval from the EPA Project Coordinator, after consultation with the DTSC Project Coordinator and the RWQCB Project Coordinator.

115. No informal advice, guidance, suggestion, or comment by the EPA, DTSC, or RWQCB Project Coordinator or other EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by Respondents shall relieve Respondents of its obligation to obtain any formal approval required by this Order, or to comply with all requirements of this Order, unless it is formally modified in accordance with this Section.

116. This Order shall be made available for a period of not less than thirty (30) days for public notice and comment. The United States, DTSC and RWQCB reserve the right to withdraw or withhold their consent if the comments regarding the Order disclose facts or considerations which indicate that the Order is inappropriate, improper, or inadequate.

### **XXXIX. TERMINATION**

117. This Order shall terminate under one or more of the following circumstances:

- a. Upon a Finding of Default by EPA, in consultation with DTSC and RWQCB, under Paragraph 114;
- b. Upon EPA's Certification of **Completion of the Work**, pursuant to Paragraph 55; or
- c. **Upon termination of the ETCA**, this Order shall terminate with respect to any ROD Implementation Area for which EPA has not yet issued a Certification of Completion of Remedial Action. Upon termination of the ETCA, this

Order shall remain effective with respect to any ROD Implementation Area and Work for which EPA has already issued the Certification of Completion of Remedial Action.

NOTE: We don't remember who added this, or why it was added. We need to discuss.

**XXXX. EFFECTIVE DATE**

118. This Order shall be effective when EPA issues written notice to Respondents that each of the following conditions have been met: a.) the expiration of the public notice and comment period for this Order and EPA's determination that comments received, if any, do not require EPA to modify or withdraw from this Order; b.) the completion of the public comment process on the FOSET; c.) the execution of the ETCA and the Amended FFA; and d.) EPA's approval of and the Governor of the State of California's concurrence with the Covenant Deferral Request.

ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For Respondents:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For EPA:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

---

Michael Montgomery  
Assistant Director of Federal Facilities and Site  
Cleanup Branch  
U.S. Environmental Protection Agency  
Region IX  
75 Hawthorne St.  
San Francisco, CA 94105

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Date

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Robert G Carr  
Assistant Regional Counsel  
U.S. Environmental Protection Agency  
Region IX  
75 Hawthorne St.  
San Francisco, CA 94105

ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For the United States:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

---

Assistant Attorney General  
Environment and Natural Resources Section  
U.S. Department of Justice

Washington, D.C. 20530

ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For DTSC:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For RWQCB:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_



IN THE MATTER OF  
FORMER HUNTER'S POINT NAVAL SHIPYARD

Respondents

San Francisco Redevelopment Agency and HPS Development Co., LP

ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HUNTER'S POINT NAVAL SHIPYARD  
U.S. EPA Region 9

CERCLA Docket No. 2010-14  
Proceeding under Sections 104, 106 and 122 of the Comprehensive Environmental Response,  
Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606, and 9622.

DRAFT FOR DISCUSSION PURPOSES ONLY DO NOT CITE, QUOTE OR RELEASE

4821-0101-5557-5

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## **I. JURISDICTION**

1. This Administrative Order on Consent ("Order") is entered into voluntarily by the United States Environmental Protection Agency ("EPA"), the California Department of Toxic Substances Control ("DTSC"), the California Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB"), and the San Francisco Redevelopment Agency ("SFRA") and CP/HPS Development Co. LP (referred to individually as "Respondent" and collectively as "Respondents"). The Order concerns the performance of one or more remedial actions ("RD/RA") for certain hazardous substances, pollutants, or contaminants present on Parcels G, and portions of Parcel B at the former Hunter's Point Naval Shipyard ("HPS") located at San Francisco ("Site"), described in Appendix A and depicted generally on the map attached as Appendix B) and the reimbursement for future response costs incurred by EPA, DTSC and RWQCB in connection with such CERCLA response actions.

2. This Order is issued under the authority vested in the President of the United States by Sections 104, 106 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606 and 9622 ("CERCLA"). This authority was delegated to the Administrator of EPA on January 23, 1987, by Executive Order 12580, 52 Fed. Reg. 2926 (Jan. 29, 1987), and further delegated to Regional Administrators on May 11, 1994, by EPA Delegation Nos. 14-14-C and 14-14-D. This authority was further redelegated by the Regional Administrator of EPA Region 9 to the Superfund Branch Chief (now referred to as Assistant Division Director) by Regional Delegation R9 1290.15, dated September 29, 1997. DTSC and the RWQCB sign this Order pursuant to relevant provisions of CERCLA Section 120 regarding state participation in federal facility cleanups, and Section 121(f), 42 U.S.C. §§ 9620 and 9621(f), and applicable provisions of 40 C.F.R. Subpart F, and the California Health and Safety Code, Division 20, Chapters 6.5, 6.67, 6.75, and 6.8, and the California Water Code, Division 7. The United States Department of Justice is approving and signing this Order pursuant to the authority of the Attorney General of the United States to compromise and settle claims of the United States.

3. Pursuant to that certain Early Transfer Cooperative Agreement ("ETCA") Covering Portions of the Hunters Point Naval Shipyard Between the United States of America Department of the Navy ("Navy") and the SFRA dated \_\_\_\_, and pursuant to that certain Remediation Agreement dated \_\_\_\_ between the SFRA and HPS Development Co., Respondents have agreed to undertake the cleanup of a portion of the former Hunter's Point Naval Shipyard, which is more specifically depicted in Appendix A to this Order. This cleanup is currently being undertaken by the U.S. Navy pursuant to the terms of the Hunter's Point Naval Shipyard Federal Facilities Agreement, dated January 22, 1992 ("FFA"). The FFA is being amended to provide in general that the obligations of the Navy to conduct that portion of the cleanup of the Site that SFRA has agreed to perform under the ETCA and this AOC will be suspended so long as the

Respondents comply with all requirements of this Order and other conditions described in the Amended FFA are met [NOTE: SUBJECT TO REVIEW AND CONSENT OF AMENDED FFA TERMS]. In the event that EPA, in consultation with DTSC and RWQCB, determines that the Respondents are in Default as defined in Section XXXII of this Order, the responsibility for any remaining response actions shall revert to the Navy in accordance with the terms and conditions of the Amended FFA.

4. Respondents represent that they are each bona fide prospective purchasers ("BFPP") with respect to the Site as defined by section 101(40) of CERCLA, 42 U.S.C. § 9601(40), that they have and will continue to comply with section 101(40) during their ownership of the Site, and thus qualify for the protection from liability under CERCLA set forth in section 107(r)(1) of CERCLA, 42 U.S.C. § 9607(r)(1), with respect to the Site. In view, however, of the complex nature and significant extent of the Work to be performed by Respondents at the Site, and the risk of claims under CERCLA being asserted against Respondents notwithstanding section 107(r)(1) as a consequence of Respondents' activities at the Site pursuant to this Order, one of the purposes of this Order is to resolve, subject to the reservations and limitations contained in Section XXVI (Reservations of Rights by EPA), any potential liability of Respondents under CERCLA for Existing Contamination, as defined in Paragraph 13 below.

5. EPA, DTSC, RWQCB and Respondents recognize that this Order has been negotiated in good faith and that the actions undertaken by Respondents in accordance with this Order do not constitute an admission of any liability. Respondents do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Order, the validity of the Findings of Fact, and Conclusions of Law and Determinations in Sections V and VI of this Order. Respondents agree to comply with and be bound by the terms of this Order and further agree that they will not contest the basis or validity of this Order or its terms.

## **II. PARTIES BOUND**

6. This Order applies to and is binding upon EPA, DTSC, RWQCB and upon Respondents and their successors and assigns. Any change in ownership or corporate status of Respondents including, but not limited to, any transfer of assets or real or personal property shall not alter Respondents' responsibilities under this Order, except as provided in Paragraph 20.

7. Each Respondent shall be responsible for carrying out the activities required of it by the Statement of Work and this Order in a timely manner and shall be subject to stipulated penalties for its failure to meet the terms and conditions of this Order. A Respondent may be held responsible for carrying out activities required of the other Respondent under the Scope of Work and this Order, but only after EPA, DTSC and RWQCB have exhausted their remedies under this Order against the non-performing Respondent; provided that a Respondent shall respond immediately where EPA determines, in consultation with DTSC and RWQCB, that an immediate response is

required to protect human health and the environment. Where this Order specifies that Respondents have a right or duty, but does not specify which respondent has that right, or duty, the Respondents may designate a single Respondent to exercise that right or perform that duty.

8. Respondents shall ensure that their contractors, subcontractors, and representatives receive a copy of this Order and comply with this Order. Respondents shall be responsible for any noncompliance with this Order by their contractors, subcontractors and representatives.

9. The undersigned representatives of Respondents certify that they are fully authorized to enter into the terms and conditions of this Order and to execute and legally bind Respondents to this Order.

### **III. STATEMENT OF PURPOSE**

10. In entering into this Order, the objectives of EPA, DTSC, RWQCB and Respondents, in addition to the purpose identified in Paragraph 4 above, are: (a) to provide for the construction and implementation of the selected remedial action consistent with CERCLA and the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. Part 300 ("NCP"), including the obligation to implement and maintain institutional controls, including land use covenants, or operation and maintenance at the Site to achieve all applicable or relevant and appropriate requirements not waived ("ARARs"), and other Remedial Action Objectives described in the -RODs; (b) to provide for the payment of response and oversight costs incurred by EPA, DTSC and RWQCB with respect to this Order, provided that neither EPA, DTSC, nor the RWQCB will seek reimbursement from Respondents for any response and oversight costs already paid to them from a Department of Defense funding source; and (c) to fulfill a portion of the required assurances under the CERCLA 120(h)(3)(C) covenant deferral process.

12. The Work conducted under this Order is subject to approval by EPA, after consultation with DTSC and RWQCB. [NOTE: The issue of EPA's consultation with the Navy is to be addressed in the FFA amendment and limited references will be included in rather than the AOC]. For purposes of this Order, consultation with DTSC and RWQCB shall include, but not be limited to, simultaneous receipt by and a reasonable opportunity to review and comment on by DTSC and RWQCB of all documents and deliverables required to be submitted by Respondents under this Order (the reasonable review time for each document/deliverable will be determined by EPA in consultation with DTSC and the RWQCB before or upon receipt of the document/deliverable; opportunity to participate in all meetings among the Parties concerning the Site; and to participate in dispute resolution as provided by Sections XXII and XXIII of this Order. Respondents shall conduct all Work under this Order in compliance with CERCLA, the NCP, and all applicable EPA guidance, policies, and procedures and applicable State law.

#### IV. Definitions

13. Unless otherwise expressly provided herein, terms used in this Order which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Order or in the appendices attached hereto and incorporated hereunder, the following definitions shall apply:

"Amended FFA" shall mean Amendment No. 1 to the Hunter's Point Naval Shipyard Federal Facilities Agreement, dated \_\_\_\_\_.

"Additional Insured Conditions" shall mean those Pollution Conditions in the ACES that are not Cost Cap Insured Conditions but are otherwise within the coverage grant and not excluded from the Environmental Insurance Policies. This term also includes any Pollution Condition that otherwise would have been an Additional Insured Condition but for which coverage was denied by the insurance provider solely due to the failure of the Respondents to comply with any requirements as set forth in the Environmental Insurance Policies, but only to the extent of such specific costs that would have otherwise been funded by the Respondents but for such failure of the Respondents.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601, *et seq.*

"Certification of Completion of Remedial Action" shall mean a certification issued for a ROD Implementation Area after approval of a RACR ~~(note: see new defined below)~~ pursuant to Paragraph 53.c or a certification for the entire Site issued pursuant to Paragraph 53.d.

"Certification of Completion of the Work" shall mean a certification issued for ROD Implementation Area (defined below) pursuant to Paragraph 55.c or a certification for the entire Site issued pursuant to Paragraph 55.d.

"Cost Cap Insured Conditions" shall mean Pollution Conditions that are within the coverage grant and not excluded from the cost overrun insurance component of the Environmental Insurance Policies, and include such Pollution Conditions even after the expiration of the term of, or exhaustion of the limits of, the cost overrun insurance component of the Environmental Insurance Policies, except to the extent such Pollution Condition is a Navy-Retained Condition.

"Covenant Deferral Request" shall mean the document prepared in accordance with CERCLA Section 120(h)(3)(C), which provides the basis for the deferral by EPA, with the concurrence of the State, of the CERCLA covenant with respect to the Site.

"Day" shall mean a calendar day unless expressly stated to be a working day. "Working day" shall mean a day other than a Saturday, Sunday, or State or Federal holiday. In computing any period of time under this Order, where the last day would fall on a Saturday, Sunday, or State or Federal holiday, the period shall run until the close of business of the next working day.



"DTSC" shall mean the Department of Toxic Substances Control and any successor departments or agencies of the State.

"DTSC Future Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that DTSC incurs in reviewing or developing plans, reports and other items pursuant to this Order, verifying the Work, or otherwise implementing, or overseeing this Order including, but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, costs of participating in community relations meetings, legal or enforcement costs, costs to or implement institutional controls, including land use covenants, or operation and maintenance, including, but not limited to, the cost of attorney time and any monies paid to secure access and/or to secure or implement institutional controls including, but not limited to, the amount of just compensation, costs for emergency response, or the costs incurred by DTSC in enforcing the terms of the Order, including all costs incurred in connection with Dispute Resolution pursuant to Sections XXII and XXIII in the Order ~~"Effective Date" shall be the effective date of this Order as provided in Section XXXX.~~

~~"Effective Date" shall be the effective date of this Order as provided in Section XXXX.~~

"Environmental Services" shall mean activities funded by the ETCA solely with respect and limited to the Cost Cap Insured Conditions and Additional Insured Conditions necessary to obtain a Certification of Completion or Interim Certification of Completion and associated Operation and Maintenance activities, except to the extent such Operation and Maintenance Activities are attributable to Navy-Retained Conditions. "Environmental Services" shall also mean any activity specifically identified herein, regardless of its exclusion from Insured Conditions. The term "Environmental Services" does not include the performance of Navy-Retained Condition or "Ineligible Work" as defined in the ETCA; any work associated with implementing amendments of, or Explanations of Significant Differences (ESDs) with, the CERCLA RODs; any work associated with the migration of a Pollution Condition from outside the Site onto, into, or under the Site; or any work associated with the migration of a Pollution Condition from the Site onto, into or under Parcel F, except to the extent such migration is caused or contributed to by the negligence of the Respondents.

Environmental Insurance Policies shall mean the environmental insurance which Respondents shall procure in accordance with the ETCA

"EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.

"EPA Future Response Costs" shall mean all costs not inconsistent with the NCP, including, but not limited to, direct and indirect costs, that the EPA incurs in reviewing or developing plans, reports and other items pursuant to this Order, verifying the Work, or otherwise implementing, overseeing, or enforcing this Order, including, but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, costs of establishing and maintaining the administrative record for a period of [REDACTED] years, or participating in community relations meetings, the costs-incurred pursuant to Section XII (Access and

Institutional Controls), including, but not limited to, the cost of attorney time and any monies paid to secure access and/or to secure or implement institutional controls including, but not limited to, the amount of just compensation costs for emergency response, or the costs incurred by EPA in enforcing the terms of the Order, including all costs incurred in connection with Dispute Resolution pursuant to Sections XXII and XXIII in the Order [Navy Note: ETCA funds for enforcement may be precluded ~~precluded~~—see 10 USC 2701(d)(3)]

“ETCA” shall mean the Early Transfer Cooperative Agreement entered into by the Navy and the San Francisco Redevelopment Authority, San Francisco, California for the Site, dated \_\_\_\_, and attached hereto as Exhibit \_\_\_\_.

“Existing Contamination” shall mean:

- 1) any hazardous substances, pollutants or contaminants present or existing on or under the Site as of the Effective Date;
- 2) any hazardous substances, pollutants or contaminants that migrated from the Site prior to the Effective Date; and
- 3) any hazardous substances, pollutants or contaminants presently at the Site that migrate onto or under or from the Property after the Effective Date.

Existing Contamination includes, but is not limited to, Navy-Retained Conditions.

“FFA” shall mean the Hunter’s Point Naval Shipyard Federal Facilities Agreement, dated January 22, 1992, and any amendments thereto.

“Hunter’s Point Special Account” shall mean the special account established at the Site by EPA pursuant to Section 122(b)(3) of CERCLA, 42 U.S.C. § 9622(b)(3).

“Interest” shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

~~“Hunter’s Point Special Account” shall mean the special account established at the Site by EPA pursuant to Section 122(b)(3) of CERCLA, 42 U.S.C. § 9622(b)(3).~~

“Interim Remedial Action Complete Report (IRACR)” shall mean a report prepared pursuant to the *DoD/EPA Joint Guidance, Remedial Streamlined Site Closeout and NPL Deletion Process for DoD Facilities* demonstrating that at a ROD Implementation Area where the remedy involving long-term operation of a groundwater or soil vapor remediation system, the system is constructed, in place, and is operating properly and successfully but the Remedial Action Objectives have not been attained.

“Institutional Controls” ~~[NOTE: No change, just moved to be in alphabetical order]~~ shall mean non-engineered instruments, such as administrative and/or legal controls, that help to minimize the potential for human exposure to contamination and/or protect the integrity of a remedy by limiting land and/or resource use. Examples of

institutional controls include easements and covenants, zoning restrictions, special building permit requirements, and well drilling prohibitions.

“Interim Certification of Completion of Remedial Action” shall mean a certification issued for a ROD Implementation Area after approval of an I-RACR pursuant to paragraph 53.c.

"National Contingency Plan" or "NCP" shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, and any amendments thereto.

“Navy Retained Conditions shall mean: (i) Unexploded Ordnance; Military Munitions; chemical, radiological or biological warfare agents; and Radiological Materials; (ii) the performance of CERCLA five-year reviews for years 2013 and 2018 for remedies selected in CERCLA RODs issued by the Navy; (iii) any activity identified as the responsibility of the Navy in the Amended FFA and (iv) Uninsured Conditions. The term Navy-Retained Conditions does not include Ineligible Work as defined in the ETCA.

"Operation and Maintenance" or "O & M" shall mean all activities required to maintain the effectiveness of the Remedial Action(s) as required by EPA, in consultation with DTSC and RWQCB, pursuant to this Order subsequent to and as a condition of the issuance of a Certification of Completion of Remedial Action or Interim Certification of Completion of Remedial Action.

“Order” shall mean this Administrative Order on Consent, the SOW, all appendices attached hereto (listed in Section XXXVI) and all documents incorporated by reference into this document, including without limitation EPA-approved submissions. EPA-approved submissions (other than progress reports) are incorporated into and become a part of the Order upon approval by EPA. In the event of conflict between this Order and any appendix or other incorporated documents, this Order shall control.

"Paragraph" shall mean a portion of this Order identified by an Arabic numeral or an upper case letter.

"Parties" shall mean EPA, DTSC, RWQCB and Respondents.

“Pollution Conditions” shall have the meaning set forth in the Environmental Insurance Policies.

“RACR” shall mean a report prepared pursuant to the *DoD/EPA Joint Guidance, Remedial Streamlined Site Closeout and NPL Deletion Process for DoD Facilities* demonstrating that (1) the remedy at a ROD Implementation Area has been fully performed, including recordation of a modification to the LUC(s), if required by EPA; (2) initial implementation of any other institutional controls called for in the ROD, and (3) the Remedial Action Objectives have been attained.

“Radiological Materials” shall mean solid, liquid, or gaseous material derived from U.S. Government activities, that contains radionuclides regulated by the Atomic Energy Act of 1954, as amended, and those materials containing radionuclides, including the following: nuclear propulsion plants for ships and submarines; nuclear devices and

nuclear components thereof, and radiographic and instrument calibration sources and various instrumentation and radioluminescent products manufactured for military applications. The term "Radiological Materials" does not include products commonly used in non-military applications such as radioluminescent signs and household smoke detector components—that do not require special handling or treatment as a result of the materials containing radionuclides, or are otherwise subject to regulatory standards that would be applied in the absence of such radiological materials.

"RCRA" shall mean the Solid Waste Disposal Act, as amended, 42 U.S.C. ● 6901 *et seq.* (also known as the Resource Conservation and Recovery Act).

"Record of Decision(s)" or "ROD(s)" shall mean that certain CERCLA Amended Record of Decision for Parcel B dated \_\_\_\_\_ and that certain CERCLA Record of Decision for Parcel G dated \_\_\_\_\_. including all attachments thereto. The term "Record of Decision(s)" or "ROD(s)" shall not include any amendment, modification or supplement to the above-referenced Records of Decision except to the extent required as the result of any negligent act or omission of Respondents or their contractors. **EPA –**

**NOTE: [If not attributable to Respondents' negligence or omission, this would be Navy Retained].**

"Remedial Action" shall mean those activities, except for Operation and Maintenance, to be undertaken by the Respondents to implement each of the RODs in accordance with the SOW and the Remedial Design and Remedial Action Work Plans and other plans approved by EPA, after consultation with DTSC and RWQCB.

***"Remedial Action Objective" Shall mean the numeric or narrative clean-up standard specifically designated in a ROD as the "remedial action objective" for a particular remedy selected in the ROD.***

"Remedial Action Work Plan" shall mean the document(s) developed pursuant to Paragraph 29 of this Order and approved or modified by EPA, after consultation with DTSC and RWQCB, and any amendments thereto.

"Remedial Designs" shall mean that certain Remedial Design for Parcel B dated \_\_\_\_ and that certain Remedial Design for Parcel G dated \_\_\_\_.

"Risk Management Plans" or "RMPs" shall mean that certain Pre-RACR Risk Management Plan dated \_\_\_\_, and that certain Post-RACR Risk Management Plan dated \_\_\_\_, and any subsequent amendments thereto.

"ROD Implementation Area" shall mean the portions of Parcels B and G identified in Exhibit \_\_\_\_, attached hereto, as that Exhibit may be amended from time to time with the approval of EPA, in consultation with DTSC and the RWQCB, which form the geographic units for which Respondents will seek certification of completion pursuant to Section XVII

"RWQCB" shall mean the Regional Water Quality Control Board, San Francisco Bay Region, and any successor agencies of the State.

"RWQCB Future Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the RWQCB incurs in reviewing or developing plans, reports and other items pursuant to this Order, verifying the Work, or otherwise implementing, or overseeing this Order including, but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, costs of participating in community relations meetings, legal or enforcement costs, including, but not limited to, the cost of attorney time and any monies paid to secure access and/or to secure costs to establish or implement institutional controls-including, but not limited to, the amount of just compensation, costs for emergency response, or the costs incurred by the RWQCB in enforcing the terms of the Order, including all costs incurred in connection with Dispute Resolution pursuant to Sections XXII and XXIII in the Order.

"Section" shall mean a portion of this Order identified by a Roman numeral.

"Site" shall mean that portion of the Hunter's Point Naval Shipyard Superfund Site which Respondents have agreed to remediate in accordance with this Order, encompassing approximately [REDACTED] acres, described in Appendix A and depicted generally on the map attached as Appendix B. It is the intent of the Parties that the scope of the "Site" shall be the same as the "Area Covered by Environmental Services" as that term is defined in the ETCA

"State" shall mean the State of California.

"State Interest" shall mean the interest rate applied to outstanding payments for costs billed pursuant to California Health and Safety Code section 25360.1. The rate of interest is subject to change.

"Statement of Work" or "SOW" shall mean the statement of work required of each Respondent for implementation of one or more Remedial Design(s) and Remedial Action(s) the Site, as set forth in Appendix C to this Order and any modifications made in accordance with this Order. The Statement of Work shall identify, for each element of Work, which Respondent is responsible for performing that element.

"Supervising Contractor" shall mean the principal contractor retained by the Respondents to supervise and direct the implementation of the Work under this Order.

"United States" shall mean the United States of America.

"Uninsured Conditions" shall mean those Pollution Conditions that are not Cost Cap Insured Conditions or Additional Insured Conditions.

"Waste Material" shall mean (1) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); (2) any pollutant or contaminant under Section 101(33), 42 U.S.C. § 9601(33); (3) any "solid waste" under Section 1004(27) of RCRA, 42 U.S.C. § 6903(27); (4) any "hazardous waste" under California Health and Safety Code section 25117, or "hazardous substance" under California Health and Safety Code section 25316; and (5) any "waste" under California Water Code section 13050.

***"Work" shall mean the activities with respect and limited to (1) the Cost Cap Insured Conditions, (2) Additional Insured Conditions, and (3) such other specified activities, that each Respondent is required to perform under this Order, except (1) those required by Section XXXIV (Retention of Records) (2) those aspects of a remedy***

which, after installation and implementation, require only periodic monitoring, inspection, enforcement, maintenance and repair. and (3) such further response actions selected pursuant to paragraph 29, except to the extent necessitated by the acts or omissions of Respondents.

## V. FINDINGS OF FACT

14. Hazardous substances that have been released or that have the potential to be released within the Site include, but may not be limited to, metals, volatile organic compounds (VOC), semivolatile organic compounds (SVOC), pesticides, polychlorinated biphenyls (PCB), and radionuclides. Concentrations of a group of metals, especially arsenic and manganese, consistently exceeded remediation goals at locations across Parcels B and G these ubiquitous metals are addressed by eliminating the exposure pathway with a cover. Groundwater contaminants which include VOCs, especially trichloroethene (TCE) and its degradation product vinyl chloride, pose a risk from exposure via vapor intrusion into buildings. ~~NOTE: This has always been blank in our drafts. Who is going to fill in, and what kind of detail is expected? which currently pose potential long term risks to human health or the environment.~~

On January 22, 1992, the EPA, State of California Department of Health Services ("DHS") (now DTSC), and the Navy entered into a Federal Facilities Agreement requiring the Navy to identify, perform and complete all necessary response actions, including operation and maintenance at the former Hunter's Point Naval shipyard under CERCLA.

The Site contains 16 known Installation Restoration Program sites ("IRP sites"). The Navy has signed a Record of Decision and an Amended Record of Decision to select a remedy for the IRP sites.

The former Hunter's Point Naval Shipyard was selected in 1992 for Base Realignment and Closure and was officially closed in 1974.

The SFRA has requested an early transfer of the Site, which it has or will acquire, upon EPA's approval of and the State's concurrence on the Covenant Deferral Request. All of the response actions undertaken by Respondents shall be performed under this AOC, as determined by EPA, with DTSC and RWQCB concurrence, pursuant to CERCLA and the NCP.

## VI. CONCLUSIONS OF LAW AND DETERMINATIONS

Confidential

15. Based on the Findings of Fact set forth above, and the Administrative Record supporting this Order, EPA has determined that:

a. The former Hunter's Point Naval Shipyard is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

b. The contamination found at the Site, as identified in the Findings of Fact above, includes "hazardous substances" as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14), and Waste Materials as defined in Section IV of this Order.

c. Respondents are each "persons" as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

d. The conditions described in Paragraph 14 above constitute an actual or threatened release of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C. § 9601(22), or a release of Waste Material, as defined in Section IV of this Order.

e. The response actions required by this Order are necessary to protect the public health, welfare, or the environment and, if carried out in compliance with the terms of this Order, will be considered consistent with the NCP, as provided in Section 300.700(c)(3)(ii) of the NCP.

## **VII. ADMINISTRATIVE ORDER**

16. Based upon the foregoing Findings of Fact and Conclusions of Law and Determinations, it is hereby Ordered and Agreed that Respondents shall comply with the provisions of this Order, including, but not limited to, all appendices to this Order and all documents incorporated by reference into this Order.

## **VIII. GENERAL PROVISIONS**

### **17. Commitments by Respondents.**

Respondents shall finance, through the funds provided by the Navy pursuant to the ETCA and any proceeds from the Environmental Insurance Policies, and shall perform the Work in accordance with this Order, the SOW, the Records of Decision, and other decision documents applicable to the Site and associated with the Records of Decision, and all work plans and other plans, standards, specifications, and schedules set forth herein or developed by Respondents and approved by EPA, in consultation with DTSC and RWQCB, pursuant to this Order. Respondents shall also reimburse EPA, DTSC and RWQCB for their respective Future Response Costs as provided in this Order.

18. Compliance with Applicable Law.

All activities undertaken by the Respondents pursuant to this Order shall be performed in accordance with the requirements of all applicable federal and state laws and regulations. Respondents must also comply with all applicable or relevant and appropriate requirements of federal and state environmental laws as set forth in the ROD(s) and the SOW. The activities conducted pursuant to this Order, if approved by EPA, shall be considered to be consistent with the NCP.

19. Permits

a. As provided in Section 121(e) of CERCLA and Section 300.400(e) of the NCP, no permit shall be required for any portion of the Work conducted entirely on-Site (i.e., within the areal extent of contamination or in very close proximity to the contamination and necessary for implementation of the Work) and where such remedial action is selected and carried out in compliance with Section 121 of CERCLA. Where any portion of the Work that is not on Site requires a federal or state permit or approval, Respondents shall submit timely and complete applications and take all other actions necessary to obtain all such permits and approvals.

b. The Respondents may seek relief under the provisions of Section XXI (Force Majeure) of this Order for any delay in the performance of the Work resulting from a failure to obtain, or delay in obtaining, any permit required for the Work.

c. This Order is not, and shall not be construed to be, a permit issued pursuant to any federal or state statute or regulation.

20. Conveyance of Site.

a. At least 30 days prior to the conveyance of a fee interest or leasehold interests in excess of 20 years to any portion of the Site. Respondents shall give written notice to EPA, DTSC, and RWQCB of the proposed conveyance, including the name and address of the grantee. Nothing in this Order shall be construed to require Respondents to secure the approval of EPA, DTSC, or RWQCB before transferring such interest

b. ***In the event of any such conveyance, Respondent's obligations under this Order shall be unaffected, unless EPA, in consultation with DTSC and RWQCB, approves the transfer of the obligations of Respondents under this Order to a successor. EPA's decision under this Paragraph 20.b. is in its sole discretion and shall not be subject to dispute resolution or judicial review. EPA will consider the following criteria, among others, in approving or disapproving a proposed successor for the Work under this Order: (i) the technical qualifications of the successor, or its proposed consultant, to perform remaining Work obligations; (ii)***



financial ability to perform such obligations; (iii) the successor's legal status and legal authority to sign the Order; (iv) the proposed successor's willingness to sign the Order without modification; and (v) assurance that the proposed transfer of Work obligations will not hinder or delay completion of the Work. If EPA, in consultation with DTSC and RWQCB approve a successor for the Work under this Order, EPA, DTSC, and RWQCB ~~may~~**shall** also provide covenants not to sue for the successor similar to those provided in Paragraphs ~~8777~~**8777** and ~~9089~~**9089** of this Order.

#### **IX. PERFORMANCE OF THE WORK BY RESPONDENTS**

##### **21. Selection of Supervising Contractor.**

a. All aspects of the Work to be performed by the Respondents pursuant to Sections IX (Performance of the Work by Respondents), X (Remedy Review), XI (Quality Assurance, Sampling and Data Analysis), and XVIII (Emergency Response) of this Order shall be under the direction and supervision of the Supervising Contractor, the selection of which shall be subject to disapproval by EPA, after consultation with DTSC and RWQCB. Respondent ***HPS Development Company has proposed to use MACTEC as its Supervising Contractor and provided EPA, DTSC and RWQCB with the information meeting the criteria described in subparagraph b. below, including its qualifications and Quality Management Plans.*** MACTEC is not disapproved. **NOTE: MACTEC to submit necessary information for review.**

b. If at any time in the future, Respondents propose to change its Supervising Contractor, Respondents shall notify EPA, DTSC and RWQCB in writing at least sixty (60) days in advance of such change, and must obtain an authorization to proceed from EPA, after consultation with DTSC and RWQCB, before the new Supervising Contractor performs, directs, or supervises any Work under this Order. Respondents must provide the name, title, and qualifications of any contractor proposed to be Supervising Contractor. With respect to any contractor proposed to be Supervising Contractor, Respondents shall demonstrate that the proposed contractor has a quality system that complies with ANSI/ASQC E4-1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs," (American National Standard, January 5, 1995), by submitting a copy of the proposed contractor's Quality Management Plan (QMP). The QMP should be prepared in accordance with "EPA Requirements for Quality Management Plans (QA/R-2)" (EPA/241/B-01/002, March 2001) or equivalent documentation as determined by EPA. EPA, after consultation with DTSC and RWQCB, will issue a notice of disapproval or an authorization to proceed.

c. If EPA disapproves a proposed Supervising Contractor, EPA will notify Respondents in writing. Respondents shall submit to EPA, DTSC and RWQCB a list of contractors, including the qualifications of each contractor that would be acceptable to

them, within 30 days of receipt of EPA's disapproval of the contractor previously proposed. After consultation with DTSC and RWQCB, EPA will provide written notice of the names of any contractor(s) that it disapproves and an authorization to proceed with respect to any of the other contractors. Respondents may select any contractor from that list that is not disapproved and shall notify EPA, DTSC and RWQCB of the name of the contractor selected within 21 days of EPA's authorization to proceed.

d. If EPA fails to provide written notice of its authorization to proceed or disapproval as provided in this Paragraph and this failure prevents Respondents from meeting one or more deadlines in a plan approved by the EPA pursuant to this Order, Respondents may seek relief under the provisions of Section XXI (Force Majeure).

22. Remedial Action. With respect to each remedial action, the following procedures and requirements shall apply:

a. Within [REDACTED] days of the Effective Date of this Order, Respondents shall submit to EPA, DTSC and RWQCB a work plan for the performance of the Remedial Action at the Site ("Remedial Action Work Plan"). The Remedial Action Work Plan shall provide for construction and implementation of the remedy set forth in the relevant ROD and achievement of the Remedial Action Objectives, in accordance with the ROD, this Order, the SOW, and the design plans and specifications developed in accordance with the Remedial Design Work Plan and approved by EPA after consultation with DTSC and RWQCB. Upon its approval by EPA, the Remedial Action Work Plan shall be incorporated into and become enforceable under this Order. At the same time as the Remedial Action Work Plan is submitted, Respondents shall submit to EPA, DTSC and RWQCB a Health and Safety Plan for field activities required by the Remedial Action Work Plan which conforms to the applicable Occupational Safety and Health Administration and EPA requirements, including but not limited to, 29 C.F.R. § 1910.120.

b. The Remedial Action Work Plan shall include the following which among other things shall provide for the complete initial installation of surface cover for all portions of the site for which RODs require a surface cover remedy no later than seven years after the Effective Date of this order: (1) schedule for completion of the Remedial Action; (2) schedule for developing and submitting other required Remedial Action plans; (3) methods for satisfying permitting requirements (4) methodology for implementation of the Operation and Maintenance Plan; (5) methodology for implementation of the Contingency Plan; (6) tentative formulation of the Remedial Action team; (7) construction quality control plan (by constructor); and (8) procedures and plans for the decontamination of equipment and the disposal of contaminated materials. The Remedial Action Work Plan also shall include the methodology for implementation of the Construction Quality Assurance Plan and a schedule for implementation of all Remedial Action tasks identified in the final design submittal and shall identify the initial formulation of the Respondents' Remedial Action Project Team (including, but not limited to, the Supervising Contractor).

c. Upon approval of the Remedial Action Work Plan by EPA, after consultation with DTSC and RWQCB, Respondents shall implement the activities required under the Remedial Action Work Plan. The Respondents shall submit to EPA,

DTSC and RWQCB all plans, submittals, or other deliverables required under the approved Remedial Action Work Plan in accordance with the approved schedule for review and approval pursuant to Section XIV (EPA Approval of Plans and Other Submissions). Unless otherwise directed by EPA, Respondents shall not commence physical Remedial Action activities at the Site prior to approval of the Remedial Action Work Plan.

23. The Respondents shall continue to implement the Remedial Action and Operation and Maintenance until the Remedial Action Objectives are achieved and for so long thereafter as is otherwise required under this Order and the ROD.

24. Respondents acknowledge and agree that nothing in this Order, the SOW, or the Remedial Design or Remedial Action Work Plans constitutes a warranty or representation of any kind by EPA, DTSC or RWQCB that compliance with the work requirements set forth in the SOW and the Work Plans will achieve the Remedial Action Objectives.

25. Except as expressly provided in the SOW (~~NOTE~~ to allow for revetment wall work) Respondents are not required to perform any Work under this Order on any property that is outside the boundaries of the Site or any Work associated with release of hazardous substances that have migrated onto, under or in the Site from a source outside the Site. Note if this is intended to be prospective, it works, but the source of existing contamination is not relevant.

26. Waste Shipments.

a. For any Work performed under this Order, Respondents shall comply with all applicable State waste management laws.

b. For any Work performed under this Order, Respondents shall, prior to any shipment of Waste Material from the Site to an out-of-state waste management facility, provide written notification to the appropriate state environmental official in the receiving facility's state and to the EPA, DTSC and RWQCB Project Coordinators of such shipment of Waste Material. However, this notification requirement shall not apply to any off-site shipments to out-of-state waste management facilities when the total volume of all such shipments will not exceed 10 cubic yards.

c. The Respondents shall include in the written notification for out-of-state waste shipments the following information, where available: (1) the name and location of the facility to which the Waste Material is to be shipped; (2) the type and quantity of the Waste Material to be shipped; (3) the expected schedule for the shipment of the Waste Material; and (4) the method of transportation. The Respondents shall notify the state in which the planned receiving facility is located of major changes in the shipment plan, such as a decision to ship the Waste Material to another facility within the same state, or to a facility in another state.

d. The identity of the receiving facility and state will be determined by the Respondents following the award of the contract for Removal Action

or Remedial Action construction. The Respondents shall provide the information required by Paragraph 24.c. as soon as practicable after the award of the contract and before the Waste Material is actually shipped.

27. Off-Site Waste Shipments. Before shipping any hazardous substances, pollutants, or contaminants from the Site to an off-Site location, Respondents shall obtain EPA's certification that the proposed receiving facility is operating in compliance with the requirements of CERCLA Section 121(d)(3) and 40 C.F.R. 300.440. If the off-Site location is in California, Respondents shall obtain certification from the State that the proposed receiving facility is in substantial compliance with California laws. Respondents shall only send hazardous substances, pollutants, or contaminants from the Site to an off-Site facility that complies with the requirements of the statutory provisions and regulations cited in the preceding sentences.

## *X. Remedy Review*

### *28. Periodic Review.*

For the duration of this Order, Respondents shall conduct any studies and investigations as requested by EPA, after consultation with DTSC and RWQCB, in order to permit EPA and/or the Navy to conduct reviews of whether any Remedial Action(s) is(are) protective of human health and the environment at least every five years as required by Section 121(c) of CERCLA and any applicable regulations.

### *29. Selection of Further Response Actions.*

If EPA and the Navy determine, at any time, after consultation with DTSC and RWQCB, that any Remedial Action at the Site is not protective of human health and the environment, EPA and the Navy may select further response actions for the Site in accordance with the requirements of the FFA, CERCLA and the NCP ("Further Response Actions").

a. Opportunity to Comment. For the duration of this Order, Respondents and, if required by Sections 113(k)(2) or 117 of CERCLA, the public, will be provided with an opportunity to comment on any further response actions proposed by EPA and to submit written comments for the record during the comment period.

***b. Limitations on Respondents's Obligation to Perform Further Response Actions. If EPA and the Navy select Further Response Actions for the Site, the Respondents shall have no obligation to undertake such Further Response Actions to the extent that such Actions are required as a result of Navy-Retained Conditions or to the extent such Actions are not part of the Environmental Services. Any requirement that Respondents undertake Further Response Actions shall be subject to Respondents' right to dispute resolution in accordance with Section XXIII. [NOTE: "Further Response Actions" would be a defined term in Section 13.]***

c. Submissions of Plans. If Respondents are required to perform further response actions pursuant to Paragraph 29.b., Respondents shall submit a plan for such

work to EPA for approval, in accordance with the procedures set forth in Section IX (Performance of the Work by Respondents) and shall implement the plan approved by EPA, after consultation with DTSC and RWQCB, in accordance with the provisions of this Order.

#### **XI. QUALITY ASSURANCE, SAMPLING, AND DATA ANALYSIS**

30. Respondents shall use quality assurance, quality control, and chain of custody procedures for all assessment, characterization, treatability, design, compliance and monitoring samples in accordance with "Uniform Federal Policy for Quality Assurance Project Plans (UFP-QAPP) (EPA/505/B-04-900A, March 2005), "EPA Requirements for Quality Assurance Project Plans (QA/R5)" (EPA/240/B-01/003, March 2001) "Guidance for Quality Assurance Project Plans (QA/G-5)" (EPA/600/R-98/018, February 1998), and subsequent amendments to such guidelines upon notification by EPA to Respondents of such amendment. Amended guidelines shall apply only to procedures conducted after such notification. Prior to the commencement of any monitoring project under this Order, Respondents shall submit to EPA for approval, a Quality Assurance Project Plan ("QAPP") that is consistent with the SOW, the NCP and relevant guidance. If relevant to the proceeding, the Parties agree that validated sampling data generated in accordance with the QAPP(s) and reviewed and approved by EPA shall be admissible as evidence, without objection, in any proceeding under this Order. Respondents shall ensure that EPA, DTSC and RWQCB personnel and their authorized representatives are allowed access at reasonable times to all laboratories utilized by Respondents in implementing this Order. In addition, Respondents shall ensure that such laboratories shall analyze all samples submitted by EPA, DTSC or RWQCB pursuant to the QAPP for quality assurance monitoring. Respondents shall ensure that the laboratories it utilizes for the analysis of samples taken pursuant to this Order perform all analyses according to accepted EPA methods. Accepted EPA methods consist of those methods which are documented in the "Contract Lab Program Statement of Work for Inorganic Analysis" and the "Contract Lab Program Statement of Work for Organic Analysis," dated February 1988 (collectively, "CLP-approved methods"), and any amendments made thereto during the course of the implementation of this Order; however, upon approval by EPA, after consultation with DTSC and RWQCB, the Respondents may use other analytical methods which are as stringent as or more stringent than the CLP- approved methods. Respondents shall ensure that all laboratories it uses for analysis of samples taken pursuant to this Order participate in an EPA or EPA-equivalent QA/QC program. Respondents shall only use laboratories that have a documented Quality System which complies with ANSI/ASQC E4-1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs," (American National Standard, January 5, 1995), and ■EPA Requirements for Quality Management Plans (QA/R-2)," (EPA/240/B-01/002, March 2001) or equivalent documentation as determined by EPA after consultation with DTSC and RWQCB. EPA may consider laboratories accredited under the National Environmental Laboratory Accreditation Program (NELAP) as meeting the Quality

System requirements. Respondents shall ensure that all field methodologies utilized in collecting samples for subsequent analysis pursuant to this Order will be conducted in accordance with the procedures set forth in the QAPP approved by EPA.

31. Upon request, the Respondents shall allow split or duplicate samples to be taken by EPA, DTSC or RWQCB or their authorized representatives. Respondents shall notify EPA, DTSC and RWQCB not less than 28 days in advance of any sample collection activity unless shorter notice is agreed to by EPA, after consultation with DTSC and RWQCB. In addition, EPA, DTSC and RWQCB shall have the right to take any additional samples that they deem necessary. Upon request, EPA shall allow the Respondents to take split or duplicate samples of any samples it takes as part of the EPA's oversight of the Respondents' implementation of the Work.

32. Respondents shall submit to EPA, DTSC and RWQCB two copies of the results of all sampling and/or tests or other data obtained or generated by or on behalf of Respondents with respect to the Site and/or the implementation of this Order unless EPA agrees otherwise, after consultation with DTSC and RWQCB.

33. Notwithstanding any provision of this Order, the United States and the State, including DTSC and RWQCB, hereby retain all of their information gathering and inspection authorities and rights, including enforcement actions related thereto, under CERCLA, RCRA and any other applicable statutes or regulations.

## **XII. ACCESS AND INSTITUTIONAL CONTROLS**

34. As required in the covenant deferral process, certain restrictions on land/soil and groundwater use are needed to assure protection of human health and the environment at the time of transfer of the Site, and prior to and during the implementation of response actions at the Site. Accordingly, the Navy, EPA, DTSC and RWQCB have prepared, in consultation with Respondents, land use covenants ("LUCs") consistent with the requirements of the RODs for Parcels B and G, and Respondents have prepared, and EPA, DTSC and RWQB have approved the Risk Management Plans.

a. Respondents shall comply with the use restrictions set forth in the LUCs and the **requirements of the Risk Management Plans** except to the extent Respondents obtain the approval of Navy, DTSC, EPA and RWQCB to allow an otherwise restricted use or activity pursuant to the approval procedures set forth in the LUCs **or Risk Management Plans, respectively**:

b. Respondents shall refrain from using the Site in any ~~manner~~ **manner** that would interfere with or adversely affect the implementation, integrity, or protectiveness of ~~remedial~~ **remedial** measures and response actions to be performed pursuant to this Order and/or in accordance with the RODs.

35. As of the Effective Date of this Order, if the Site is owned or controlled by Respondents, Respondents shall: provide the United States, including EPA and the Navy, and DTSC and RWQCB, and their representatives and contractors, with access at all reasonable times to the Site, for the purpose of conducting any activity related to this Order including, but not limited to, the following activities:

- (1) Monitoring the Work;
- (2) Verifying any data or information submitted to EPA, DTSC and RWQCB;
- (3) Conducting investigations relating to contamination at or near the Site;
- (4) Obtaining samples;
- (5) Assessing the need for planning or implementing response actions or additional response actions at or near the Site;
- (6) Assessing implementation of quality assurance and quality control practices as defined in the approved Quality Assurance Project Plans;
- (7) Implementing any response actions or the Work in the event of Default by Respondents;
- (8) Inspecting and copying records, operating logs, contracts or other documents maintained or generated by Respondents or its agents, consistent with Section XXXIII (Access to Information);
- (9) Assessing Respondents' compliance with this Order; and
- (10) Determining whether the Site is being used in a manner that is prohibited or restricted, or that may need to be prohibited or restricted by, or pursuant to this Order.

36. If EPA determines, after consultation with DTSC and RWQCB, that land/water use restrictions in the form of state or local laws, regulations, ordinances or other governmental controls are needed to implement any remedies selected in the RODs, ensure the integrity and protectiveness thereof, or ensure non-interference therewith, Respondents shall cooperate with EPA's efforts to secure such governmental controls.

37. Notwithstanding any provision of this Order, the United States and the State, including DTSC and RWQCB, retain all of their access authorities and rights, as well as all of their rights to require land/water use restrictions, including enforcement authorities related thereto, under CERCLA, RCRA and any other applicable statutes or regulations.

### **XIII. REPORTING REQUIREMENTS**

38. In addition to any other requirement of this Order, Respondents shall submit two copies of written monthly progress reports to EPA, DTSC and RWQCB that:



(a) describe the actions which have been taken toward achieving compliance with this Order during the previous month; (b) include a summary of all results of sampling and tests and all other data received or generated by Respondents or their contractors or agents in the previous month; (c) identify all work plans, plans and other deliverables required by this Order completed and submitted during the previous month; (d) describe all actions, including, but not limited to, data collection and implementation of work plans, which are scheduled for the next six weeks and provide other information relating to the progress of construction, including, but not limited to, critical path diagrams, Gantt charts and Pert charts; (e) include information regarding percentage of completion, unresolved delays encountered or anticipated that may affect the future schedule for implementation of the Work, and a description of efforts made to mitigate those delays or anticipated delays; (f) include any modifications to the work plans or other schedules that Respondents has proposed to EPA or that have been approved by EPA; and (g) describe all activities undertaken in support of the Community Relations Plan during the previous month and those to be undertaken in the next six weeks. Respondents shall submit these progress reports to EPA, DTSC and RWQCB by the tenth day of every month following the Effective Date of this Order until EPA notifies the Respondents pursuant to Section XVII (Certification of Completion). If requested by EPA, DTSC or RWQCB, Respondents shall also provide briefings for EPA, DTSC and RWQCB to discuss the progress of the Work.

39. The Respondents shall notify EPA, DTSC and RWQCB of any change in the schedule described in the monthly progress report for the performance of any activity, including, but not limited to, data collection and implementation of work plans, no later than seven days prior to the performance of the activity.

40. Upon the occurrence of any event during performance of the Work that is required to be reported pursuant to Section 103 of CERCLA or Section 304 of the Emergency Planning and Community Right-to-know Act ("EPCRA"), the Respondent owning the property where the event occurred shall within 24 hours of the onset of such event orally notify the EPA, DTSC and RWQCB Project Coordinators or the Alternate EPA Project Coordinator (in the event of the unavailability of the EPA Project Coordinator), or, in the event that neither the EPA Project Coordinator or Alternate EPA Project Coordinator is available, the Emergency Response Section, Region 9, United States Environmental Protection Agency. These reporting requirements are in addition to the reporting required by CERCLA Section 103 or EPCRA Section 304.

41. Within 20 days of the onset of such an event, the Respondent owning the property where the event occurred shall furnish to EPA, DTSC and RWQCB a written report, signed by that Respondent's Project Coordinator, setting forth the events which occurred and the measures taken, and to be taken, in response thereto. Within 30 days of the conclusion of such an event, that Respondent shall submit a report setting forth all actions taken in response thereto.

42. Each Respondent shall submit two copies of all plans, reports, and data required by the SOW, each Remedial Design Work Plan, each Remedial Action Work Plan, or any other document which that respondent is required to submit under the Scope of Work to EPA in accordance with the schedules set forth in such plans. The submitting



Respondent shall simultaneously submit two copies of all such plans, reports and data the Respondent is required to submit under the Scope of Work to DTSC and RWQCB. Upon request by EPA, DTSC or RWQCB, the submitting Respondents shall submit in electronic form all portions of any report or other deliverable Respondents are required to submit pursuant to the provisions of this Order.

43. All reports and other documents submitted by Respondents to EPA, DTSC and RWQCB (other than the monthly progress reports referred to above) which purport to document Respondents' compliance with the terms of this Order shall be signed by an authorized representative of the Respondents.

#### **XIV. EPA APPROVAL OF PLANS AND OTHER SUBMISSIONS**

44. After review of any plan, report or other item which is required to be submitted for approval pursuant to this Order, EPA, after consultation with DTSC and RWQCB, shall: (a) approve, in whole or in part, the submission; (b) approve the submission upon specified conditions; (c) modify the submission to cure the deficiencies; (d) disapprove, in whole or in part, the submission, directing that the submitting Respondent modify the submission; or (e) any combination of the above. However, EPA shall not modify a submission without first providing the submitting Respondent at least one notice of deficiency and an opportunity to cure within thirty (30) days, except where to do so would cause serious disruption to the Work or where previous submission(s) have been disapproved due to material defects and the deficiencies in the submission under consideration indicate a bad faith lack of effort to submit an acceptable deliverable.

45. In the event of approval, approval upon specified conditions, or modification by EPA, pursuant to Paragraph 46(a), (b), or (c), the submitting Respondent shall proceed to take any action required by the plan, report, or other item, as approved or modified by EPA subject only to Respondents' right to invoke the Dispute Resolution procedures set forth in Section XXIII (Dispute Resolution) with respect to the modifications or conditions made by EPA. In the event that EPA modifies the submission to cure the deficiencies pursuant to Paragraph 46(c) and the submission has a material defect, EPA retains its right to seek stipulated penalties, as provided in Section XXIV (Stipulated Penalties).

46. **Resubmission of Plans.**

a. Upon receipt of a notice of disapproval pursuant to Paragraph 44, the submitting Respondent shall, within thirty (30) days or such longer time as specified by EPA in such notice, correct the deficiencies and resubmit the plan, report, or other item for approval. Any stipulated penalties applicable to the submission, as provided in Section XXIV, shall accrue during the 30-day period or otherwise specified period but shall not be payable unless the resubmission is disapproved or modified due to a material defect as provided in Paragraph 54.

b. Notwithstanding the receipt of a notice of disapproval pursuant to Paragraph 44, the submitting Respondent shall proceed, at the direction of EPA, to take any action required by any non-deficient portion of the submission. Implementation of

any non-deficient portion of a submission shall not relieve Respondents of any liability for stipulated penalties under Section XXIV (Stipulated Penalties).

47. In the event that a resubmitted plan, report or other item, or portion thereof, is disapproved by EPA, after consultation with DTSC and RWQCB, EPA may again require the submitting Respondent to correct the deficiencies, in accordance with the preceding Paragraphs. EPA also retains the right to ~~modify or develop the plan, report or other item~~. The submitting Respondent shall implement any such plan, report, or item as modified or developed by EPA, subject only to its right to invoke the procedures set forth in Section XXIII (Dispute Resolution).

48. If upon resubmission, a plan, report, or item is disapproved or modified by EPA due to a material defect, the submitting Respondent shall be deemed to have failed to submit such plan, report, or item timely and adequately unless the submitting Respondent invokes the dispute resolution procedures set forth in Section XXIII (Dispute Resolution) and EPA's action is overturned pursuant to that Section. The provisions of Section XXIII (Dispute Resolution) and Section XXIV (Stipulated Penalties) shall govern the implementation of the Work and accrual and payment of any stipulated penalties during Dispute Resolution. If EPA's disapproval or modification is upheld, ~~stipulated~~ penalties shall accrue for such violation from the date on which the initial submission was originally required, as provided in Section XXIV.

49. All plans, reports, and other items required to be submitted to EPA, DTSC and RWQCB under this Order shall, upon approval or modification by EPA, be enforceable under this Order. In the event EPA approves or modifies a portion of a plan, report, or other item required to be submitted to EPA under this Order, the approved or modified portion shall be enforceable under this Order.

## **XV. PROJECT COORDINATORS**

50. Within 20 days of the Effective Date of this Order, each Respondent, DTSC, RWQCB and EPA will notify each other, in writing, of the name, address and telephone number of their respective designated Project Coordinators and Alternate Project Coordinators. If a Project Coordinator or Alternate Project Coordinator initially designated is changed, the identity of the successor will be given to the other Parties at least 5 working days before the changes occur, unless impracticable, but in no event later than the actual day the change is made. The Respondents' Project Coordinators shall be subject to disapproval by EPA, in consultation with DTSC and RWQCB, and shall have the technical expertise sufficient to adequately oversee all aspects of the Work. The Respondents' Project Coordinators shall not be attorneys for the Respondents in this matter. They may assign other representatives, including other contractors, to serve as a representative for oversight of performance of daily operations during remedial activities.

51. EPA, DTSC and RWQCB may designate other representatives, including, but not limited to EPA, DTSC and RWQCB employees, and federal and state contractors and consultants, to observe and monitor the progress of any activity undertaken pursuant to this Order. EPA's Project Coordinator and Alternate Project Coordinator shall have

the authority lawfully vested in a Remedial Project Manager (RPM) and an On-Scene Coordinator (OSC) by the National Contingency Plan, 40 C.F.R. Part 300. In addition, EPA's Project Coordinator or Alternate Project Coordinator shall have authority, consistent with the National Contingency Plan, to halt any Work required by this Order and to take any necessary response action when s/he determines that conditions at the Site constitute an emergency situation or may present an immediate threat to public health or welfare or the environment due to release or threatened release of Waste Material. EPA's Project Coordinator, DTSC's Project Coordinator, RWQCB's Project Coordinator and the Respondents' Project Coordinators will meet, at a minimum, on a monthly basis.

#### ***XVI. Assurance of Ability to Complete Work***

52. EPA, DTSC and RWQCB hereby acknowledge that the funds provided by the Navy pursuant to the ETCA and the Environmental Insurance Policies procured pursuant to the ETCA provide sufficient Financial Assurance of the Respondents' ability to complete the Work.

#### ***XVII. Certification of Completion***

53. Certification and Interim Certification of Completion of the Remedial Action. With respect to each ROD Implementation Area, the following procedures and requirements shall apply:

a. Within 90 days after Respondents conclude that the Remedial Action for a ROD Implementation Area has been either: (1) fully performed, including recordation of a modification to the LUC(s), if required by EPA, and initial implementation of any other institutional controls called for in the ROD, and the Remedial Action Objectives have been attained, or (2), for remedies involving long-term operation of a groundwater or soil vapor remediation system, the system is constructed, in place, and is operating properly and successfully but the Remedial Action Objectives have not been attained, Respondents shall schedule and conduct a pre-certification inspection to be attended by Respondents, EPA, DTSC, RWQCB and the Supervising Contractor(s). If, after the pre-certification inspection, Respondents still believe that the Remedial Action has been fully performed and the Remedial Action Objectives have been attained or for remedies involving long-term operation of a groundwater or soil vapor remediation system, the system is constructed, in place and is operating properly and successfully but the Remedial Action Objectives have not been attained,, Respondents shall, as applicable, submit to EPA for approval a RACR requesting Certification of Completion of Remedial Action or an I-RACR, requesting Interim Certification of Completion of Remedial Action, with a copy to the DTSC and RWQCB, pursuant to Section XIV (EPA Approval of Plans and Other Submissions) within 30 days of the inspection. In the report, a professional engineer registered in the State and Respondents' Project Coordinator shall state that the Remedial Action for the ROD

Implementation Area has been completed in full satisfaction of the requirements of this Order. The RACR or I-RACR shall include as-built drawings signed and stamped by a professional engineer. The report shall contain the following statement, signed by a responsible official of Respondents or the Respondents' Project Coordinator:

—To the best of my knowledge, after thorough investigation, I certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

b. If, after completion of the pre-certification inspection and receipt and review of the written report, EPA, after consultation with DTSC and RWQCB, determines, in the case of a RACR that the Remedial Action for the ROD Implementation Area or any portion thereof has not been completed in accordance with this Order or that the Remedial Action Objectives have not been achieved, or in the case of an I-RACR, that the groundwater or soil vapor remediation system has not been constructed, or is not in place or is not operating properly and successfully, EPA will notify Respondents in writing of the activities that must be undertaken by Respondents pursuant to this Order to fulfill the requirements for obtaining a Certification of Completion of Remedial Action or Interim Certification of Completion of Remedial Action, as applicable; provided however, that EPA may only require Respondents to perform such activities pursuant to this Paragraph to the extent that such activities are consistent with the scope of the remedy selected in the ROD. EPA will set forth in the notice a schedule for performance of such activities consistent with the Order and the SOW or require the Respondents to submit a schedule to EPA, DTSC and RWQCB for approval pursuant to Section XIV (EPA Approval of Plans and Other Submissions). Respondents shall perform all activities described in the notice in accordance with the specifications and schedules established pursuant to this Paragraph, subject to Respondents' right to invoke the dispute resolution procedures set forth in Section XXIII (Dispute Resolution).

If EPA concludes, based on the initial or any subsequent RACR or I-RACR requesting Certification of Completion of Remedial Action or Interim Certification of Completion of Remedial Action and after consultation with DTSC and RWQCB, that in the case of a RACR the Remedial Action has been performed in accordance with this Order and that the Remedial Action Objectives have been achieved, or in the case of an I-RACR, that the system is constructed, in place and is operating properly and successfully but the Remedial Action Objectives have not been attained, EPA will so certify in writing to Respondents. This certification shall constitute, as applicable, a Certification of Completion of Remedial Action or, for remedies for which an I-RACR has been submitted, Certification of Completion of a ROD Implementation Area for purposes of this Order. Receipt of a Certification or Interim Certification under this Paragraph 53 of Completion of the Remedial Action shall not affect Respondent's obligations under this Order to perform required actions other than those necessary to obtain the Certification.

d. -After EPA has issued a Certification of Completion of Remedial Action for each ROD Implementation Area within the Site, EPA shall certify in writing to Respondents that the Remedial Action for the entire Site has been performed in

accordance with this Order and that the Remedial Action Objectives have been achieved for the entire Site. This certification shall constitute a Certification of Completion of Remedial Action for the Site. ~~NOTE: We did not see a need for a Site-wide equivalent of an Interim Certification, so we did not include it in this paragraph d.)~~

54. NPL Deletion.

After EPA has issued a Certification of Completion of Remedial Action for all of ROD Implementation Areas comprising Parcel G and/or for all of the ROD Implementation Areas comprising the portion of Parcel B within the Site, EPA will consider a request to initiate the regulatory proceedings necessary to effectuate a Partial Deletion from the National Priorities List of Parcel G and/or the portion of Parcel B within the Site from the Hunters Point Naval Shipyard Superfund Site.

55. Completion of the Work.

a. Within 90 days after Respondents conclude that all phases of the Work (including O & M for all Remedial Actions), have been fully performed for a ROD Implementation Area, Respondents shall schedule and conduct a pre-certification inspection to be attended by Respondents, EPA, DTSC and RWQCB. If, after the pre-certification inspection, the Respondents still believes that the Work has been fully performed for that ROD Implementation Area, Respondents shall submit a written report by a professional engineer registered in the State stating that the Work has been completed in full satisfaction of the requirements of this Order. The report shall contain the following statement, signed by a responsible corporate official of a Respondents or the Respondents' Project Coordinator:

To the best of my knowledge, after thorough investigation, I certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

b. If, after review of the written report, EPA, after consultation with DTSC and RWQCB, determines that any portion of the Work has not been completed for the ROD Implementation Area in accordance with this Order, EPA will notify Respondents in writing of the activities that must be undertaken by Respondents pursuant to this Order to complete the Work, provided, however, that EPA may only require Respondents to perform such activities pursuant to this Paragraph to the extent that such activities are consistent with the scope of the remedy selected in the ROD. EPA will set forth in the notice a schedule for performance of such activities consistent with the Order and the SOW or require the Respondents to submit a schedule to EPA for approval

pursuant to Section XIV (EPA Approval of Plans and Other Submissions). Respondents shall perform all activities described in the notice in accordance with the specifications and schedules established therein, subject to Respondents' right to invoke the dispute resolution procedures set forth in Section XXIII (Dispute Resolution).

c. If EPA concludes, based on the initial or any subsequent request for Certification of Completion of the Work for the ROD Implementation Area by Respondents, and after consultation with DTSC and RWQCB, that the Work in that ROD Implementation Area has been performed in accordance with this Order, EPA will so notify the Respondents in writing. That written notification shall constitute the Certificate of Completion of the Work for the ROD Implementation Area.

d. -After EPA has issued a Certification of Completion of the Work for each ROD Implementation Area within the Site, EPA shall certify in writing to Respondents that the Work for the entire Site has been performed in accordance with this Order. This certification shall constitute a Certification of Completion of the Work for the Site.

#### **XVIII. EMERGENCY RESPONSE**

56. In the event of any action or occurrence during the performance of the Work which causes or threatens a release of hazardous substances at the Site that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, the Respondent that owns the property where the release has been caused or threatened shall, subject to Paragraph 57, immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, and shall immediately notify EPA's, DTSC's and RWQCB's Project Coordinators. If EPA's Project Coordinator is unavailable, EPA's Alternate Project Coordinator must be notified. If neither of these EPA persons is available, that Respondent shall notify the EPA Emergency Response Unit, Region 9. That Respondent shall take such actions in consultation with EPA's Project Coordinator or other available authorized EPA officer and in accordance with all applicable provisions of the Pre RMPs, the Contingency Plans, and any other applicable plans or documents developed pursuant to the SOW. In the event that the Respondents fail to take appropriate response action as required by this Section and EPA takes such action instead, Respondents shall reimburse EPA for all costs of the response action not inconsistent with the NCP, pursuant to Section XIX (Payments for Response Costs).

57. Nothing in the preceding Paragraph or in this Order shall be deemed to limit any authority of the United States or the State, including DTSC and RWQCB, to a) take all appropriate action to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of hazardous substances on, at, or from the Site, or b) direct or order such action, or seek an order from a Court, to protect human health and the environment or to prevent, abate,

respond to, or minimize an actual or threatened release of Waste Material on, at, or from the Site.

**XIX. PAYMENTS FOR EPA FUTURE RESPONSE COSTS**

~~{Bob Carr indicated willingness to revise this model language, contingent on retaining advance payment requirement}~~

58. The amounts to be paid by Respondents pursuant to Paragraph 59 shall be deposited in the HPS Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

**59. Payments for EPA Future Response Costs.**

a. Respondents shall pay to EPA all EPA Future Response Costs not inconsistent with the National Contingency Plan. Except as provided in Paragraph 59.c below, EPA will send Respondents, on a periodic basis, a bill requiring payment that includes a standard Regionally-prepared cost summary, which includes direct and indirect costs incurred by EPA and its contractors. Respondents shall make all payments within 30 days of Respondents' receipt of each bill requiring payment, except as otherwise provided in Paragraph 60. Respondents shall make all payments required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the party making the payment, and EPA Site/Spill ID Number #XXXXXX. Respondents shall send the check(s) to:

U.S. Environmental Protection Agency  
Attn: Region 9 Receivables  
P.O. Box 371099M  
Pittsburgh, PA 15251

b. At the time of payment under Paragraph 59.a or 59.c, Respondents shall send notice that payment has been made to EPA and to the Regional Financial Management Officer, in accordance with Section XXXV (Notices and Submissions).

c. Within 30 days of the Effective Date, Respondents shall pay to EPA \$ [to be determined] in prepayment of anticipated EPA Future Response Costs. The total amount paid shall be deposited by EPA in the HPS Special Account, within the EPA Hazardous Substance Superfund. These funds shall be retained and used by EPA to conduct or finance future response actions. Respondents shall make the payment required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the party making the payment, and EPA Site/Spill ID Number #XXXX. Respondents shall send the check(s) to:



Confidential

U.S. Environmental Protection Agency  
Attn: Region 9 Receivables  
P.O. Box 371099M  
Pittsburgh, PA 15251

In the event that the payments required by this subparagraph are not made within 60 days of the Effective Date, Respondents shall pay Interest on the unpaid balance. The Interest on EPA Future Response Costs shall begin to accrue on the thirtieth day following the Effective Date. The Interest shall accrue through the date of the Respondents' payment.

d. After EPA issues its written Certification of Completion of Work and EPA has performed a final accounting of EPA Future Response Costs, EPA shall offset the final bill for EPA Future Response Costs by any unused amount paid by the Respondents pursuant to Paragraph 59.a or Paragraph 59.c. Any amount in excess of amounts due to EPA shall be returned to Respondents.

60. Respondents may contest payment of any EPA Future Response Costs under Paragraph 59 if Respondents determines that EPA has made an accounting error or if Respondents alleges that a cost item that is included represents costs that are inconsistent with the NCP or if the cost is outside the definition of EPA Future Response Costs. Such objection shall be made in writing within 30 days of receipt of the bill and must be sent to EPA pursuant to Section XXXV (Notices and Submissions). Any such objection shall specifically identify the contested EPA Future Response Costs and the basis for objection. In the event of an objection, the Respondents shall within the 30-day period pay all uncontested EPA Future Response Costs to EPA in the manner described in Paragraph 59. Simultaneously, the Respondents shall establish an interest-bearing escrow account in a federally-insured bank duly chartered in the State and remit to that escrow account funds equivalent to the amount of the contested EPA Future Response Costs. The Respondents shall send to EPA, as provided in Section XXXV (Notices and Submissions), a copy of the transmittal letter and check paying the uncontested EPA Future Response Costs, and a copy of the correspondence that establishes and funds the escrow account, including, but not limited to, information containing the identity of the bank and bank account under which the escrow account is established as well as a bank statement showing the initial balance of the escrow account. Simultaneously with establishment of the escrow account, the Respondents shall initiate the Dispute Resolution procedures in Section XXIII (Dispute Resolution). If EPA prevails in the dispute, within 5 days of the resolution of the dispute, the Respondents shall pay the sums due (with accrued interest) to EPA in the manner described in Paragraph 59. If Respondents prevail concerning any aspect of the contested costs, the Respondents shall pay that portion of the costs (plus associated accrued interest) for which Respondents did not prevail to the United States in the manner described in Paragraph 59; Respondents shall be disbursed any balance of the escrow account. The dispute resolution procedures set forth in this Paragraph in conjunction with the procedures set forth in Section XXIII (Dispute Resolution) shall be the exclusive mechanisms for resolving disputes regarding the Respondents' obligation to reimburse EPA for its EPA Future Response Costs.



61. In the event that the payments required by Paragraph 59.a. are not made within 30 days of the Respondents' receipt of the bill, Respondents shall pay Interest on the unpaid balance. The Interest on EPA Future Response Costs shall begin to accrue on the date of the bill.

62. Payment of DTSC Future Response Costs.

a. As of the Effective Date of this Order, Respondents shall pay all of DTSC's Future Response Costs related to the Work performed under this Order. DTSC will bill Respondents quarterly for its response costs. Respondents shall pay DTSC within sixty (60) days of date of invoice. Any billing not paid within sixty (60) days is subject to State Interest calculated from the date of the invoice pursuant to California Health and Safety Code section 25360.1. All payments made by Respondents pursuant to this Order shall be by cashier's or certified check made payable to "DTSC," and shall bear on the face the project code of the Site (Site \_\_\_\_ ) and the Docket number of this Order. Payments shall be sent to:

Department of Toxic Substances Control  
Accounting/Cashier  
1001 I Street, 21<sup>st</sup> Floor  
P.O. Box 806  
Sacramento, California 95812-0806

A photocopy of all payment checks shall also be sent to the person designated by DTSC to receive submittals under this Order.

b. If Respondents disputes a DTSC billing, or any part thereof, Respondents shall notify DTSC's assigned project manager and attempt to informally resolve the dispute with DTSC's project manager and branch chief. If Respondents desires to formally request dispute resolution with regard to the billing, Respondents shall file a request for dispute resolution in writing within 45 days of the date of the billing in dispute. The written request shall describe all issues in dispute and shall set forth the reasons for the dispute, both factual and legal. If the dispute pertains only to a portion of the costs included in the invoice, Respondents shall pay all costs which are undisputed in accordance with Subparagraph 62.a. The filing of a notice of dispute pursuant to this Paragraph shall not stay the accrual of DTSC interest on any unpaid costs pending resolution of the dispute. The written request shall be sent to:

Special Assistant for Cost Recovery and Reimbursement Policy  
Department of Toxic Substances Control  
P.O. Box 806  
Sacramento, CA 95812-0806

A copy of the written request for dispute resolution shall also be sent to the person designated by DTSC to receive submittals under this Order. A decision on the billing dispute will be rendered by the Special Assistant for Cost Recovery and Reimbursement Policy or other DTSC designee.

63. Payment of RWQCB Future Response Costs

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a. As of the Effective Date of this Order, the Respondents are liable for all of the RWQCB's costs related to the Work performed under this Order in responding to the hazardous materials at the Site. Cost recovery may be pursued by the RWQCB under CERCLA, California Health and Safety Code Sections 25187.2 and 25360, California Water Code Sections 13304 and 13365, or any other applicable state or federal statute or common law. The RWQCB will bill the Respondents quarterly for oversight activities performed by the RWQCB hereunder. The Respondents shall pay the RWQCB within sixty (60) days of receipt of the RWQCB's billing. Any billing not paid within sixty (60) days is subject to State Interest calculated from the date of the billing pursuant to California Health and Safety Code section 25360.1. All payments made by the Respondents pursuant to this Order shall be by cashier's check or certified check made payable to the RWQCB and shall bear on the face the project code of the Site. Payments to the RWQCB shall be sent to:

State Water Resources Control Board  
SLIC Program  
P.O. Box 944212  
Sacramento, CA 94244-2120

A photocopy of all payment checks shall also be sent to the person designated by the RWQCB to receive submittals under this Order.

b. If Respondents disputes a RWQCB billing, or any part thereof, Respondents shall notify the RWQCB's assigned project manager and attempt to informally resolve the dispute with the RWQCB's project manager and immediate supervisor. If Respondents desires to formally request dispute resolution with regard to the billing, Respondents shall file a request for dispute resolution in writing within 45 days of the date of the billing in dispute. The written request shall describe all issues in dispute and shall set forth the reasons for the dispute, both factual and legal. If the dispute pertains only to a portion of the costs included in the invoice, Respondents shall pay all costs which are undisputed in accordance with Subparagraph 63.a. The filing of a notice of dispute pursuant to this Paragraph shall not stay the accrual of RWQCB interest on any unpaid costs pending resolution of the dispute. The written request shall be sent to:

RWQCB Address/POC

A copy of the written request for dispute resolution shall also be sent to the person designated by the RWQCB to receive submittals under this Order. A decision on the billing dispute will be rendered by Mr. Landau, or his designee.

## **XX. INDEMNIFICATION AND INSURANCE**

64. Respondents' Indemnification of the United States and State.

a. The United States does not assume any liability by entering into this agreement. Respondents shall indemnify, save and hold harmless the United States and the State and their officials, agents, employees, contractors, subcontractors, or representatives for or from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Respondents, their officers, directors, employees, agents, contractors, subcontractors, and any persons acting on its behalf or under its control, in carrying out activities pursuant to this Order. Further, the Respondents agree to pay the United States and the State all costs they incur including, but not limited to, attorneys fees and other expenses of litigation and settlement arising from, or on account of, claims made against the United States or the State based on negligent or other wrongful acts or omissions of Respondents, their officers, directors, employees, agents, contractors, subcontractors, and any persons acting on their behalf or under their control, in carrying out activities pursuant to this Order. Neither the United States nor the State shall be held out as a party to any contract entered into by or on behalf of Respondents in carrying out activities pursuant to this Order. Neither the Respondents nor any such contractor shall be considered an agent of the United States or the State.

b. The United States and the State shall give Respondents notice of any claim for which the United States or the State plans to seek indemnification pursuant to Paragraph 64.a. and shall consult with Respondents prior to settling such claim.

c. Nothing in this Paragraph 64 or Paragraph 65 shall be construed to waive or in any way limit any rights Respondents may have against the United States as a result of acts or omissions for which the United States Navy is responsible, including but not limited to rights under CERCLA or Section 330 of the FY 1992 National Defense Authorization Act, as amended or under the Conveyance Agreement for Hunters Point Shipyard between the United States Navy and SFRA on \_\_\_\_\_, or under any deed to be executed by the Navy for any portion of the Site.

65. Respondents waives all claims against the United States and the State, including DTSC and RWQCB, for damages or reimbursement or for set-off of any payments made or to be made to the United States or DTSC and RWQCB arising from or on account of any contract, agreement, or arrangement between Respondents and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays. In addition, Respondents shall indemnify and hold harmless the United States and the State, including DTSC and RWQCB, with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between Respondents and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays, provided, however, that nothing herein shall limit Respondents' right to claim that any delays caused by the United States and/or State, including the DTSC and RWQCB, constitute a force majeure event under this Agreement.

66. No later than 15 days before commencing any on-site Work, Respondents shall secure, and shall maintain until the first anniversary of EPA's last Certification of

Completion of the Remedial Action applicable to the Site pursuant to Section XVII (Certification of Completion), comprehensive general liability insurance with limits of five (5) million dollars, combined single limit, and automobile liability insurance with limits of one (1) million dollars, combined single limit, naming the United States, DTSC, and RWQCB as additional insureds. In addition, for the duration of this Order, Respondents shall satisfy, or shall ensure that their contractors or subcontractors satisfy, all applicable laws and regulations regarding the provision of worker's compensation insurance for all persons performing the Work on behalf of Respondents in furtherance of this Order. Prior to commencement of the Work under this Order, Respondents shall provide to EPA, DTSC and RWQCB certificates of such insurance and a copy of each insurance policy. Respondents shall resubmit such certificates and copies of policies each year on the anniversary of the Effective Date. If Respondents demonstrates by evidence satisfactory to EPA, DTSC and RWQCB that any contractor or subcontractor maintains insurance equivalent to that described above, or insurance covering the same risks but in a lesser amount, then, with respect to that contractor or subcontractor, Respondents need provide only that portion of the insurance described above which is not maintained by the contractor or subcontractor.

#### **XXI. FORCE MAJEURE**

67. "Force majeure " for purposes of this Order, is defined as any event arising from causes beyond the control of the Respondents, of any entity controlled by Respondents, or of Respondents' contractors, that delays or prevents the performance of any obligation under this Order despite Respondent's best efforts to fulfill the obligation. Without limitation, a court-ordered injunction or stop work order related to any Work required by this Order is considered to be a force majeure event. In addition, Respondents's inability to perform Work required under this Order due to the Navy's failure or delay in addressing a Navy Retained Condition, or any **other breach** of the ETCA by the Navy, shall be considered a force majeure event. The requirement that the Respondents exercise best efforts to fulfill the obligation includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any potential force majeure event (1) as it is occurring and (2) following the potential force majeure event, such that the delay is minimized to the greatest extent possible. "Force Majeure" does not include a failure to attain the Remedial Action Objectives or financial inability to complete the Work, except to the extent that a failure by the Navy to fund all or a portion of the ETCA delays or prevents performance of obligations under this Order that are funded by the ETCA. Except as otherwise provided in this Paragraph 67, "Force Majeure" shall not, except as set forth above, include any delays caused by any disputes between the Navy and/or Respondents or any successors in title to the Site. Any delays caused by disagreements between or among EPA, DTSC and/or RWQCB **and/or the Navy**, or any other regulatory agency with jurisdiction over any matter herein, shall be considered out of Respondents' control, shall be considered a force majeure event, and Respondents shall have no obligation under this Order to mitigate the effects of such force majeure event.

68. If any event occurs or has occurred that may delay the performance of any obligation under this Order, whether or not caused by a force majeure event, the Respondents shall notify orally EPA's Project Coordinator, DTSC's Project Coordinator and RWQCB's Project Coordinator or, in his or her absence, their Alternate Project Coordinators or, in the event both of EPA's designated representatives are unavailable, the Director of the Superfund Division, EPA Region 9, within 48 hours of when Respondents first knew that the event might cause a delay. Within 14 days thereafter, Respondents shall provide in writing to EPA, DTSC and RWQCB an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; the Respondents's rationale for attributing such delay to a force majeure event if Respondents intend to assert such a claim; and a statement as to whether, in the opinion of the Respondents, such event may cause or contribute to an endangerment to public health, welfare or the environment. The Respondents shall include with any notice all available documentation supporting Respondents' claim that the delay was attributable to a force majeure event. Failure to comply with the above requirements shall preclude Respondents from asserting any claim of force majeure for that event for the period of time of such failure to comply, and for any additional delay caused by such failure. Respondent shall be deemed to know of any circumstance of which Respondent, any entity controlled by Respondent, or Respondent's contractors knew or should have known.

69. If EPA, after consultation with DTSC and RWQCB, agrees that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Order that are affected by the force majeure event will be extended by EPA, after consultation with DTSC and RWQCB, for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. If EPA, after consultation with DTSC and RWQCB, does not agree that the delay or anticipated delay has been or will be caused by a force majeure event, EPA will notify the Respondents in writing of its decision. If EPA, after consultation with DTSC and RWQCB, agrees that the delay is attributable to a force majeure event, EPA will notify the Respondents in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

70. If the Respondents elect to invoke the dispute resolution procedures set forth in Section XXIII (Dispute Resolution), Respondents shall do so no later than 15 days after receipt of EPA's notice. In any such proceeding, Respondents shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been or will be caused by a force majeure event, that the duration of the delay or the extension sought was or will be warranted under the circumstances, that best efforts were exercised to avoid and mitigate the effects of the delay, and that Respondents complied with the requirements of Paragraphs 67 and 68, above. If Respondents carry

this burden, the delay at issue shall be deemed not to be a violation by Respondents of the affected obligation of this Order identified to EPA.

## **XXII. EPA, DTSC AND RWQCB DISPUTE PROCESS**

71. If disagreements or disputes arise during the consultation process between EPA, DTSC and RWQCB under this Order, EPA, DTSC and RWQCB agree to use the process outlined in this Paragraph to resolve such disputes. EPA, DTSC and RWQCB shall, whenever possible, make decisions by consensus at the Project Coordinator level. In the event a consensus decision cannot be reached by the EPA, DTSC and RWQCB Project Coordinators concerning the approval of a document or deliverable required by this Order, a meeting or telephone conference shall be scheduled and held within five (5) days of DTSC and/or RWQCB raising the dispute among EPA, DTSC and RWQCB Project Coordinators and their immediate supervisors to reach a consensus decision. If consensus cannot be reached by the immediate supervisors, the dispute shall be immediately elevated to the EPA Region 9 Assistant Director of the Federal Facility and Site Cleanup Branch, the DTSC Supervising Hazardous Substances Engineer II, **xxxxx** Office, Brownfields and Environmental Restoration Program, and the RWQCB Section Chief, Site Cleanup Section, who shall meet or confer by telephone within ten (10) days of the meeting or telephone conference discussed above in an attempt to resolve the dispute through consensus. If no consensus can be reached, the dispute shall be immediately elevated to the EPA Region 9 Director of the Superfund Division, the DTSC Deputy Director for Site Mitigation and Brownfields Reuse, and the RWQCB Executive Officer, who shall meet or confer by telephone within ten (10) days of the meeting or telephone conference discussed in the previous sentence in an attempt to resolve the dispute through consensus. If no consensus can be reached, the decision applicable to Respondents shall be the final decision made by the EPA Region 9 Director of the Superfund Division. By agreeing to this decision making process, DTSC and RWQCB do not waive any right or claim each agency may have for relief, and reserve any authority they may have under federal or state law to require Waste Material cleanups compliant with such law.

## **XXIII. DISPUTE RESOLUTION**

72. The dispute resolution procedures of this Section shall be utilized to resolve disputes between Respondents and EPA ~~[Note: Since disputes about DTSC and RWQCB response costs are not covered under this paragraph, there are not any other decisions of DTSC or RWQCB that Respondent could dispute; all decisions under the Order are by EPA, after consultation with DTSC or RWQCB]~~ arising under or with respect to this Order. Prior to the exercise of any other rights or remedies Respondents may have under applicable law to object to or challenge a decision of any other Party to this order. However, the procedures set forth in this Section shall not apply to actions by

EPA to enforce obligations of the Respondents that have not been disputed in accordance with this Section.

73. Any dispute which arises under or with respect to an EPA decision under this Order shall in the first instance be the subject of informal negotiations between the parties to the dispute. The period for informal negotiations shall not exceed 20 days from the time the dispute arises, unless it is modified by written agreement of the parties to the dispute. The dispute shall be considered to have arisen when Respondents sends the other Parties a written Notice of Dispute.

74. Statements of Position. In the event that the Parties cannot resolve a dispute by informal negotiations under the preceding Paragraph, then the position advanced by EPA, except on disputes regarding DTSC or RWQCB Future Response Costs reimbursement, shall be final unless within 14 days after the conclusion of the informal negotiation period, Respondents invokes the formal dispute resolution procedures of this Section by serving on EPA, with copies concurrently provided to DTSC and RWQCB, a written Statement of Position on the matter in dispute, including, but not limited to, any factual data, analysis or opinion supporting that position and any position and any supporting documentation relied upon by the Respondents.

75. Within 21 days after receipt of Respondents's Statement of Position, EPA will serve on all other parties its Statement of Position, including, but not limited to, any factual data, analysis, or opinion supporting that position and all supporting documentation relied upon by EPA. Within 7 working days after receipt of EPA's Statement of Position, Respondents may submit a Reply. DTSC and RWQCB may also file a Statement of Position for EPA's consideration on the disputed matter no later than 7 days from receipt of EPA's Statement of Position.

76. Following receipt of all statements to be submitted pursuant to Paragraphs ~~7484~~ and ~~7585~~, the Director of the Superfund Division, EPA Region 9 will issue a final decision resolving the dispute. The Superfund Division Director's decision shall be final. The invocation of formal dispute resolution procedures under this section shall not restrict Respondents rights and remedies available under applicable law.

77. The invocation of formal dispute resolution procedures under this Section shall not extend, postpone or affect in any way any obligation of the Respondents under this Order, not directly in dispute, unless EPA, after consultation with DTSC and RWQCB, agrees otherwise. . In the event that the Respondents do not prevail on the disputed issue, stipulated penalties may be assessed and shall be paid as provided in Section XXIV (Stipulated Penalties), except any stipulated penalties accruing during a dispute resolution period that are waived by EPA pursuant to Paragraph 83 below ~~below~~. If respondents prevail on the dispute issue, the stipulated penalties shall be discharged.

#### **XXIV. STIPULATED PENALTIES**

78. A Respondent shall be liable for stipulated penalties in the amounts set forth in Subparagraphs 78.a. and b. to EPA, DTSC, and RWQCB, with 50% of such penalties to be paid to EPA and 50% to DTSC and RWQCB, for failure to comply with the requirements of this Order specified below, unless excused under Section XXI (Force Majeure). Payment of stipulated penalties to DTSC and RWQCB shall be split evenly, unless otherwise directed in the demand letter set forth in Paragraph 81. "Compliance" by a Respondent shall include completion of the activities required to be completed by that Respondent under this Order or any work plan or other plan approved under this Order identified below in accordance with all applicable requirements of law, this Order, the SOW, and any plans or other documents approved by EPA pursuant to this Order and within the specified time schedules established by and approved under this Order. Except with respect to an emergency or other situation described in Section 56- above, a Respondent shall not be liable for the stipulated penalties set forth in this Section as a result of the failure of the other Respondent to comply with the Order.

a. Stipulated Penalty Amounts – Work, including Payment of Future Response Costs.

The following stipulated penalties shall accrue per violation per day for any noncompliance identified in Subparagraph (i):

Amounts are City's proposal Need to discuss further

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$500	1st through 30th day
\$1,500	30th through 45th day
\$15,000	45th day and beyond

i. Compliance Milestones. The following shall constitute general categories of "compliance milestones" subject to stipulated penalties under Paragraph 78.a. Specific documents within Paragraph 78.a (1) – (6) shall be subject to the stipulated penalties set forth above to the extent such documents have been designated "critical path" documents by Respondents in each Monthly Progress Report and subject to reasonable approval by EPA.

- 1) Remedial Design Document
- 2) Remedial Action Workplan
- 3) Institutional Controls Implementation Plan
- 4) Operations and Maintenance Plan
- 5) Remedial Action Completion Report
- 6) Work Status Report
- 7) Late Payment of EPA, DTSC, or RWQCB Future Response Costs



- 8) Failure to comply with any use restrictions selected in the RODs
- 9) Failure to provide access pursuant to Paragraph 35
- b. Stipulated Penalty Amounts - Reports.

The following stipulated penalties shall accrue per violation per day for failure to submit timely or adequate reports or other written documents not within the scope of Subparagraph 78.a. (1) above, and any other violation of this Order:

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$250	1st through 30th day
\$1,000	30th through 45th day
\$10,000	45th day and beyond

79. All penalties shall begin to accrue on the day [after EPA has given Respondents written notice of noncompliance pursuant to Paragraph 80], performance is due or the day a violation occurs and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. However, stipulated penalties shall not accrue: (1) with respect to a deficient submission under Section XIV (EPA Approval of Plans and Other Submissions), during the period, if any, beginning on the 31st day after EPA's receipt of such submission until the date that EPA notifies Respondent of any deficiency except as set forth in Paragraph 48; (2) with respect to a decision by the Director of the Superfund Division, EPA Region 9, under Paragraph 76 of Section XXIII (Dispute Resolution), during the period, if any, beginning on the 21st day after the date that Respondents' reply to EPA's Statement of Position is received until the date that the Director issues a final decision regarding such dispute.— Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Order.

80. Following EPA's determination that Respondents have failed to comply with a requirement of this Order, EPA shall give Respondents written notification of the same and describe the noncompliance. After this notification and a 30 day period in which Respondents can cure the noncompliance EPA may send the Respondents a written demand for the payment of the penalties. EPA is willing to allow an opportunity to cure for certain failures but not all.

81. All penalties accruing under this Section shall be due and payable within 30 days of the Respondents' receipt from EPA of a demand for payment of the penalties, unless Respondents invokes the Dispute Resolution procedures under Section XXIII (Dispute Resolution). All payments to EPA under this Section shall be paid by certified or cashier's check(s) made payable to "EPA Hazardous Substances Superfund," shall be mailed to U.S. Environmental Protection Agency, Attn: Region 9 Receivables, P.O. Box 37109M, Pittsburgh PA 15262-0001, shall indicate that the payment is for stipulated penalties, and shall reference the EPA Region and Site/Spill ID #0941. Copies of check(s) paid pursuant to this Section, and any accompanying transmittal letter(s), shall be sent to EPA, DTSC, and RWQCB as provided in Section

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XXXV (Notices and Submissions). All payments to DTSC and RWQCB under this Section shall be due and payable within 30 days of the Respondents' receipt from DTSC and the RWQCB of a demand for payment of the penalties, unless Respondents invokes the Dispute Resolution procedures under Section XXIII (Dispute Resolution). All payments to DTSC under this section shall be paid by cashier's or certified check made payable to "DTSC," and shall bear on the face the Docket number of this Order. Payments shall be sent to:

Department of Toxic Substances Control  
Accounting/Cashier  
1001 I Street, 21<sup>st</sup> Floor  
P.O. Box 806  
Sacramento, California 95812-0806

All payments to RWQCB under this section shall be paid by certified or cashier's check(s) made payable to the State Water Resources Control Board Cleanup and Abatement Account and shall bear on the face the Docket number of this Order. Payment shall be sent to **California Regional Water Quality Control Board, Central Valley Region, 11020 Sun Center Drive, #200, Rancho Cordova, CA 95670. [Note: Correct region?]**

82. The payment of penalties shall not alter in any way Respondents' obligation to complete the performance of the Work required under this Order.

83. Penalties shall continue to accrue as provided in Paragraph 89 during any dispute resolution period, [except that such penalties shall be waived if EPA, after consultation with DTSC and RWQCB, determines that Respondent's failure to comply resulted from a good faith belief that its actions or omissions were in compliance with this Order, and Respondent's failure to comply did not result in actual or threatened harm to human health or the environment.] Why would we include this language? Any such penalties not waived need not be paid until the following: If the dispute is resolved by agreement, or by a decision of EPA, accrued penalties determined to be owing shall be paid to EPA within 30 days of the agreement or the receipt of EPA's decision or order. If Respondents prevail on the disputed issue, the stipulated penalties shall be discharged;

84. If Respondents fail to pay stipulated penalties when due, EPA may institute proceedings to collect the penalties, as well as interest. Respondents shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 80.

85. Nothing in this Order shall be construed as prohibiting, altering, or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondents' violation of this Order or of the statutes and regulations upon which it is based, including, but not limited to, penalties pursuant to Section 122(l) of CERCLA, provided, however, that EPA shall not seek civil penalties pursuant to Section 122(l) of CERCLA for any violation for which a stipulated penalty is provided herein, except in the case of a willful violation of the Order.

86. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this Order.

#### **XXV. Covenant Not to Sue by EPA**

87. In consideration of the actions that will be performed and the payments that will be made by Respondents under the terms of this Order, and except as otherwise specifically provided in this Order, EPA covenants not to sue or to take administrative action against Respondents pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for Existing Contamination. This covenant not to sue shall take effect upon the Effective Date and is conditioned upon the continuing and ~~satisfactory~~ ~~satisfactory~~ performance by Respondents of all obligations under this Order, including, but not limited to, payment of Future Response Costs pursuant to Section XIX. This covenant not to sue is also conditioned upon the veracity of information provided to EPA by the Respondents in this Order. **Except as provided in paragraph 20, this This covenant not to sue extends only to Respondents and does not extend to any other person.**

#### **XXVI. RESERVATIONS OF RIGHTS BY EPA**

88. Except as specifically provided in this Order, nothing herein shall limit the power and authority of EPA to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing herein shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Order, from taking other legal or equitable action as it deems appropriate and necessary, or from requiring Respondents in the future to perform additional activities pursuant to CERCLA or any other applicable law.

89. The covenant not to sue set forth in Section XXV above does not pertain to any matters other than those expressly identified therein. EPA reserves, and this Order is without prejudice to, all rights against Respondents with respect to all other matters, including, but not limited to:

- a. claims based on a failure by Respondents to meet a requirement of this Order;
- b. liability based on Respondents' transportation, treatment, storage, or disposal, or the arrangement for the transportation, treatment, storage, or disposal of

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Waste Material at or in connection with the Site, other than as provided in a ROD, this Order, or otherwise ordered by EPA, after signature of this Order by the Respondents;

- c. criminal liability;
- d. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments arising from negligent acts or omissions of the Respondents or their contractors;
- e. liability arising from the past, present, or future disposal, release or threat of release of Waste Materials outside of the Site ~~NOTE: This implies the covenant does pertain to off-site Navy Retained Conditions, but it doesn't right?~~
- f. -liability for violations of federal or state law which occur during or after implementation of Removal or Remedial Actions; and
- g. liability for additional response actions that EPA determines are necessary to achieve Remedial Action Objectives.

#### **XXVII. DTSC AND RWQCB COVENANT NOT TO SUE**

90. In consideration of the actions that will be performed and the payments that will be made by Respondents under the terms of this Order, and except as otherwise specifically provided in this Order, DTSC and RWQCB covenant not to sue or to take administrative action against Respondents pursuant to Section 107(a) of CERCLA, 42 U.S.C. §9607(a), or Section 7003 of RCRA, 42 U.S.C. 6973 for Existing Contamination. This covenant not to sue shall take effect upon the Effective Date and is conditioned upon the continuing and satisfactory performance by Respondents of all obligations under this Order, including, but not limited to, payment of Future Response Costs pursuant to Section XIX. This covenant not to sue is also conditioned upon the veracity of information provided to DTSC and RWQCB by the Respondents in this Order. **Except as provided in paragraph 20, this** ~~This covenant not to sue extends only to Respondents and does not extend to any other person. [We need to discuss the public process/time required for 7003 CNTS].~~

#### **XXVIII. DTSC AND RWQCB RESERVATIONS OF RIGHTS**

91. The covenant not to sue by DTSC and RWQCB set forth in Section XXVII does not pertain to any matters other than those expressly identified therein. DTSC and RWQCB reserve, and this Order is without prejudice to, all rights against Respondents with respect to all other matters, including but not limited to:

- (a) claims based on a failure by Respondents to meet a requirement of this Order;

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(b) liability for costs incurred or to be incurred by the State that are not reimbursed by Respondents pursuant to this Order, except for Navy-Retained Conditions;

(c) liability for performance of response actions other than the Work approved under the Order performed by Respondents pursuant to this Order, except for Navy-Retained Conditions;

(d) criminal liability;

(e) liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

(f) liability arising from the past, present, or future disposal, release, or threat of release of Waste Materials outside of the Site unless such waste material constitute Navy-Retained Conditions; and

(g) liability for violations of local, state or federal law or regulations.

**BY RESPONDENTS**

92. Respondents covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, or the State, or its contractors and employees, with respect to Existing Contamination, Future Response Costs, or this Order, including, but not limited to:

a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claims against the United States, including any department, agency or instrumentality of the United States under CERCLA Sections 107 or 113 related to the Work required by this Order; or

c. any claim arising out of the Work or arising out of the response actions for which the Future Response Costs have or will be incurred, including any claim under the United States Constitution, the State Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law.

d. These covenants not to sue do not apply to any claim or cause of action Respondents may have against the United States as a result of acts or omissions for which the United States Navy is responsible, including but not limited to rights under CERCLA or Section 330 of the FY 1992 National Defense Authorization Act, as amended or under the Conveyance Agreement for Hunters Point Shipyard Shipyard between the United States Navy and SFRA on \_\_\_\_\_, or under any deed to be executed by the Navy for any portion of the Site.

93. These covenants not to sue shall not apply in the event the United States brings a cause of action or issues an order pursuant to the reservations set forth in

Paragraph 89 (b), (c), (d), and (f) - (g), but only to the extent that Respondents' claims arise from the same response action, response costs, or damages that the United States is seeking pursuant to the applicable reservation.

94. Nothing in this Order shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d)

### **XXX. OTHER CLAIMS**

95. By issuance of this Order, the United States, including EPA, the Navy and the State, including DTSC and RWQCB, assume no liability for injuries or damages to persons or Site resulting from any acts or omissions of Respondents.

96. This order shall not be construed to give rise to any right to ~~judicial~~~~judicial~~ review, not otherwise provided by applicable law, of any action or decision by EPA pursuant to this Order, including selection of further response actions by EPA and the Navy

### **XXXI. CONTRIBUTION**

97. Nothing in this Agreement precludes the United States, the State, or Respondents from asserting any claims, causes of action, or demands for indemnification, contribution, or cost recovery against any person not a party to this Order, including any claim *Respondents may* have pursuant to Section 107(a)(4)(B). Nothing herein diminishes the right of the United States, pursuant to Sections 113(f)(2) and (3) of CERCLA, 42 U.S.C. § 9613(f)(2),(3), to pursue any such persons to obtain additional response costs or response actions and to enter into settlements that give rise to contribution protection pursuant to Section 113(f)(2).

98. In the event of a suit or claim for contribution brought against Respondents, notwithstanding the provisions of Section 107(r)(1) of CERCLA, 42 U.S.C. § 9607(r)(1), with respect to Existing Contamination (including any claim based on the contention that either Respondents is not a BFPP, or has lost its status as a BFPP as a result of actions taken in compliance with this Order or at the directions of EPA's RPM.~~EPAHQ NOTE: We are not sure who added this and are not sure why it was added~~) the Parties agree that this Order shall then constitute an administrative settlement for purposes of Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), and that Respondents would be entitled, from the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Order. The "matters addressed" in this Order are all response actions taken or to be taken and all response costs incurred or to be incurred by the United States, DTSC, RWQCB or Respondents with respect to Existing Contamination.

99. In the event Respondents were found, in connection with any action or claim it may assert to recover costs incurred or to be incurred with respect to Existing Contamination, not to be a BFPP, or to have lost its status as a BFPP as a result of actions taken in compliance with this Order or at the directions of EPA's RPM. ~~NOTE: See above~~, the Parties agree that this Order shall then constitute an administrative settlement within the meaning of Section 113(f)(3)(B) of CERCLA, 42 U.S.C. § 9613(f)(3)(B), pursuant to which Respondents have resolved their liability for all response actions taken or to be taken and all response costs incurred or to be incurred by EPA, DTSC, RWQCB or by any other person with respect to Existing Contamination.

100. Respondents agree that with respect to any suit or claim brought by it for matters related to this Order they will notify EPA, DTSC, and RWQCB in writing no later than 60 days prior to the initiation of such suit or claim.

101. Respondents also agree that with respect to any suit or claim for contribution brought against it for matters related to this Order they will notify in writing EPA, DTSC, and RWQCB within 10 days of service of the complaint on it.

#### **XXXII. NONCOMPLIANCE, STOP WORK AND DEFAULT DETERMINATIONS**

102. Respondents shall perform and complete all necessary response actions at the Site (except for Navy-Retained Condition or activities outside of the Environmental Services Services) in accordance with the SOW, CERCLA, the NCP, ARARs not otherwise waived, and relevant guidance.

103. Notices of Noncompliance and Stop Work. Following EPA's determination, after consultation with DTSC and RWQCB, that Respondents have failed to comply with a requirement of this Order, EPA shall give Respondents written notification of the same, with a copy to the Navy, DTSC, and RWQCB and describe the noncompliance ("Notice of Noncompliance"). EPA shall also give Respondents written notification that Respondents should stop work on all or any portion of its response action activities at the Site until EPA determines that Respondents have remedied such noncompliance ("Notice to Stop Work"). Upon receipt of a Notice to Stop Work, Respondents shall immediately stop work on all or any portion of its response action activities at the Site as specified in such notice, and shall remedy the noncompliance. Respondents shall resume such response action activities only upon receipt of written notification from EPA, after consultation with DTSC and RWQCB, that Respondents may proceed with such activities as specified in the notification.

104. Finding of Default. EPA, after consultation with DTSC and RWQCB, may determine that a Default has occurred in one or more of the following situations: (i) EPA has issued to Respondents two or more Notices of Noncompliance for significant noncompliance, with or without accompanying Notices to Stop Work, pursuant to Paragraph 103; (ii) EPA determines that either Respondent is implementing the Work in a manner that may cause endangerment to human health or the environment; (iii) EPA

determines that either Respondent has effectively ceased to perform all or a portion of the Work for any reason, including lack of Navy funding through the ETCA, except for a Force Majeure event pursuant to Section XXI that results in only a temporary delay in performance; (iv) either Respondent misappropriates or misuses funds received under the ETCA; or (v) Respondents are *substantially and consistently deficient or late in s* their *performance of the Work*. Prior to issuance of a Finding of Default, EPA shall provide Respondents in writing (with copies to the Navy, DTSC and RWQCB) with a Notice of Intent to Find Default and of the proposed basis for issuing a Finding of Default. Respondents may dispute the Notice of Intent to Find Default, in accordance with the process provided in Section XXIII (Dispute Resolution), and the Navy may participate in any such dispute resolution as provided in Section \_\_\_\_ of the Amended FFA. (NOTE: Should the Navy be able to initiate dispute resolution not otherwise initiated by Respondents? EPA would say no, but see DR with respect to NRC). In the event of an EPA determination that a Default has occurred, either without Respondents having invoked the Dispute Resolution process in Section XXIII, or following the conclusion of such Dispute Resolution process, EPA will send Respondents a written Finding of Default, with copies to the Navy, DTSC, and RWQCB. The Finding of Default will provide the basis for EPA's determination and will specify whether Respondents may continue to perform the Work while the Navy prepares to resume response action activities under the Amended FFA.

105. Within thirty (30) days of Respondents' receipt of the Finding of Default, or such other time period specified by EPA, Respondents shall cease performance of the Work.

106. In the event that the Navy resumes performance of response action activities under the Amended FFA, Respondents shall fully cooperate in the orderly transfer of responsibilities for performance of the Work to the Navy

### **XXXIII. ACCESS TO INFORMATION**

107. Respondents shall provide to EPA, DTSC and RWQCB upon request, copies of all documents and information within Respondents' possession or control or that of its contractors or agents relating to activities at the Site or to the implementation of this Order, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Work. Respondents shall also make available to EPA, DTSC and RWQCB for purposes of investigation, information gathering, or testimony, Respondents' employees, agents, or representatives with knowledge of relevant facts concerning the performance of the Work.

a. Business Confidential and Privileged Documents. Respondents may assert business confidentiality claims covering part or all of the documents or information submitted to EPA, DTSC and RWQCB under this Order to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. § 2.203(b). Documents or information determined to be



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confidential by EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies documents or information when they are submitted to EPA, DTSC and RWQCB or if EPA has notified Respondents that the documents or information are not confidential under the standards of Section 104(e) (7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such documents or information without further notice to Respondents.

b. The Respondents may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Respondents asserts such a privilege in lieu of providing documents, Respondents shall provide EPA, DTSC and RWQCB with the following: (1) the title of the document, record, or information; (2) the date of the document, record, or information; (3) the name and title of the author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the contents of the document, record, or information; and (6) the privilege asserted by Respondents. However, no documents, reports or other information created or generated pursuant to the requirements of the Order shall be withheld on the grounds that they are privileged.

c. No claim of confidentiality shall be made with respect to any data, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

#### **XXXIV. RETENTION OF RECORDS**

108. Until 10 years after the Respondents' receipt of EPA's notification pursuant to Paragraph 55.c. of Section XVII (Certification of Completion of the Work), Respondents, or their successors, shall preserve and retain all non-identical copies of the last draft or final version of any documents or records (including documents or records in electronic form) now in its possession or control or which come into its possession or control that relate in any manner to the performance of the Work, provided, however, that Respondents (and its contractors and agents) must retain, in addition, copies of all data generated during the performance of the Work and not contained in the aforementioned documents required to be retained. Each of the above record retention requirements shall apply regardless of any corporate retention policy to the contrary. **EPA (?) NOTE: RESERVED FOR FURTHER MODIFICATIONS? BY WHOM?!**

109. At the conclusion of this document retention period, Respondents, or its successor, shall notify EPA, DTSC and RWQCB at least 90 days prior to the destruction of any such records or documents, and, upon request by EPA or DTSC, Respondents shall deliver any such records or documents to EPA, DTSC and RWQCB. Respondents may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Respondents assert such a privilege, Respondents shall provide EPA, DTSC and RWQCB with the following: (1) the title of the document, record, or information; (2) the date of the

document, record, or information; (3) the name and title of the author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the subject of the document, record, or information; and (6) the privilege asserted by Respondents. However, no documents, reports or other information created or generated pursuant to the requirements of the Order shall be withheld on the grounds that they are privileged.

**XXXV. NOTICES AND SUBMISSIONS**

110. Whenever under the terms of this Order, written notice is required to be given or a report or other document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. All notices and submissions shall be considered effective upon receipt, unless otherwise provided. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Order with respect to EPA, DTSC, RWQCB and the Respondents, respectively.

As to the EPA:

~~Keith Takata~~  
Director, Superfund Division  
United States Environmental Protection Agency  
Region 9  
75 Hawthorne St.  
San Francisco, CA 94105

and

EPA Project Coordinator, SFD-8-1  
United States Environmental Protection Agency  
Region 9  
75 Hawthorne St.  
San Francisco, CA 94105

As to the Regional Financial Management Officer:

Chief, Cost Accounting  
United States Environmental Protection Agency  
Region 9  
75 Hawthorne St.  
San Francisco, CA 94105

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As to the California Department of Toxic Substances Control:

**Anthony J. Landis, P.E.**

Chief  
Northern California Operations  
Office of Military Facilities  
Department of Toxic Substance Control  
8800 Cal Center Drive  
Sacramento, CA 95826

and

Project Manager  
Brownfields and Environmental Restoration Program  
Department of Toxic Substances Control

As to the San Francisco Bay Regional Water Quality Control Board:

Executive Officer  
California Regional Water Quality Control Board,  
San Francisco Bay Region

and

Project Manager  
California Regional Water Quality Control Board,  
San Francisco Bay Region

As to the Respondents:

#### **XXXVI. APPENDICES**

111. The following appendices are attached to and incorporated into this Order:

- A. Legal description of the Site
- B. Map of the Site
- C. Statement of Work

**D. ROD Implementation Areas**

~~D. IR Sites (?)~~

- E. Land and Water Use Restrictions (NOTE: What is intended by the – the LUCs? The RMPs?)

#### **XXXVII. COMMUNITY RELATIONS**

112. Respondents shall prepare and submit for review and approval by EPA, in consultation with DTSC and RWQCB, a Community Relations Plan, as defined in the SOW. EPA, after consultation with DTSC and RWQCB, will determine the appropriate role for the Respondents under the Plan. Respondents shall also cooperate with EPA, DTSC, and RWQCB in providing information regarding the Work under this Order to the public. As requested by EPA, Respondents shall participate in the preparation of such information for dissemination to the public and in public meetings which may be held or sponsored by EPA to explain activities at or relating to the Site or the Work being conducted under this Order.

#### **XXXVIII. MODIFICATIONS**

113. EPA, after consultation with DTSC and RWQCB, may determine that in addition to tasks defined in the SOW, or initial approved work plans, other additional work may be necessary to accomplish the Remedial Action Objectives. To the extent that such additional work is within the scope of the the RODs and does not otherwise constitute an amendment, modification or supplement to the RODs, EPA, after consultation with DTSC and RWQCB, may request in writing that Respondents perform these response actions and Respondents shall confirm its willingness to perform the additional work, in writing, to EPA, DTSC, and RWQCB within 14 days of receipt of EPA's request, or Respondents may invoke dispute resolution in accordance with Section XXIII. Subject to EPA resolution of any dispute, Respondents shall implement the additional tasks which EPA, after consultation with DTSC and RWQCB, determines are necessary. Any other requirements of this Order may be modified in writing by mutual agreement of the parties.

114. If Respondents seeks permission to deviate from any approved work plan or schedule or the SOW, except as otherwise provided for by field modifications to Remedial Action Work Plan, ~~Respondents', Respondents's~~ Project Coordinator shall submit a written request to EPA, DTSC and RWQCB for approval outlining the proposed modification and its basis. Respondents may not proceed with the requested deviation until receiving written approval from the EPA Project Coordinator, after consultation with the DTSC Project Coordinator and the RWQCB Project Coordinator.

115. No informal advice, guidance, suggestion, or comment by the EPA, DTSC, or RWQCB Project Coordinator or other EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by Respondents shall relieve Respondents of its obligation to obtain any formal approval required by this Order, or to

comply with all requirements of this Order, unless it is formally modified in accordance with this Section.

116. This Order shall be made available for a period of not less than thirty (30) days for public notice and comment. The United States, DTSC and RWQCB reserve the right to withdraw or withhold their consent if the comments regarding the Order disclose facts or considerations which indicate that the Order is inappropriate, improper, or inadequate.

#### **XXXIX. TERMINATION**

117. This Order shall terminate under one or more of the following circumstances:

a. Upon a Finding of Default by EPA, in consultation with DTSC and RWQCB, under Paragraph 114;

b. Upon EPA's Certification of **Completion of the Work**, pursuant to Paragraph 55; or

c. Upon termination of the ETCA, this Order shall terminate with respect to any ROD Implementation Area for which EPA has not yet issued a Certification of Completion of Remedial Action. Upon termination of the ETCA, this Order shall remain effective with respect to any ~~ROD~~ Implementation Area and Work for which EPA has already issued the Certification of Completion of Remedial Action. **NOTE: We don't remember who added this, or why it was added. We need to discuss.**

#### **XXXX. EFFECTIVE DATE**

118. This Order shall be effective when EPA issues written notice to Respondents that each of the following conditions have been met: a.) the expiration of the public notice and comment period for this Order and EPA's determination that comments received, if any, do not require EPA to modify or withdraw from this Order; b.) the completion of the public comment process on the FOSET; c.) the execution of the ETCA and the Amended FFA; and d.) EPA's approval of and the Governor of the State of California's concurrence with the Covenant Deferral Request.

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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For Respondents:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For EPA:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

---

Michael Montgomery  
Assistant Director of Federal Facilities and Site  
Cleanup Branch  
U.S. Environmental Protection Agency  
Region IX  
75 Hawthorne St.  
San Francisco, CA 94105

---

Date

---

Robert G Carr  
Assistant Regional Counsel  
U.S. Environmental Protection Agency  
Region IX  
75 Hawthorne St.  
San Francisco, CA 94105

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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For the United States:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_  
Assistant Attorney General  
Environment and Natural Resources Section  
U.S. Department of Justice

Washington, D.C. 20530



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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For DTSC:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_

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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For RWQCB:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

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IN THE MATTER OF  
FORMER HUNTER'S POINT NAVAL SHIPYARD

Respondents

San Francisco Redevelopment Agency and HPS Development Co., LP

ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HUNTER'S POINT NAVAL SHIPYARD  
U.S. EPA Region 9

CERCLA Docket No. 2010-14  
Proceeding under Sections 104, 106 and 122 of the Comprehensive Environmental Response,  
Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606, and 9622.

DRAFT FOR DISCUSSION PURPOSES ONLY DO NOT CITE, QUOTE OR RELEASE

4821-0101-5557-5

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## **I. JURISDICTION**

1. This Administrative Order on Consent ("Order") is entered into voluntarily by the United States Environmental Protection Agency ("EPA"), the California Department of Toxic Substances Control ("DTSC"), the California Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB"), and the San Francisco Redevelopment Agency ("SFRA") and CP/HPS Development Co. LP (referred to individually as "Respondent" and collectively as "Respondents"). The Order concerns the performance of one or more remedial actions ("RD/RA") for certain hazardous substances, pollutants, or contaminants present on Parcels G, and portions of Parcel B at the former Hunter's Point Naval Shipyard ("HPS") located at San Francisco ("Site"), described in Appendix A and depicted generally on the map attached as Appendix B) and the reimbursement for future response costs incurred by EPA, DTSC and RWQCB in connection with such CERCLA response actions.

2. This Order is issued under the authority vested in the President of the United States by Sections 104, 106 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9606 and 9622 ("CERCLA"). This authority was delegated to the Administrator of EPA on January 23, 1987, by Executive Order 12580, 52 Fed. Reg. 2926 (Jan. 29, 1987), and further delegated to Regional Administrators on May 11, 1994, by EPA Delegation Nos. 14-14-C and 14-14-D. This authority was further redelegated by the Regional Administrator of EPA Region 9 to the Superfund Branch Chief (now referred to as Assistant Division Director) by Regional Delegation R9 1290.15, dated September 29, 1997. DTSC and the RWQCB sign this Order pursuant to relevant provisions of CERCLA Section 120 regarding state participation in federal facility cleanups, and Section 121(f), 42 U.S.C. §§ 9620 and 9621(f), and applicable provisions of 40 C.F.R. Subpart F, and the California Health and Safety Code, Division 20, Chapters 6.5, 6.67, 6.75, and 6.8, and the California Water Code, Division 7. The United States Department of Justice is approving and signing this Order pursuant to the authority of the Attorney General of the United States to compromise and settle claims of the United States.

3. Pursuant to that certain Early Transfer Cooperative Agreement ("ETCA") Covering Portions of the Hunters Point Naval Shipyard Between the United States of America Department of the Navy ("Navy") and the SFRA dated \_\_\_\_, and pursuant to that certain Remediation Agreement dated \_\_\_\_ between the SFRA and HPS Development Co., Respondents have agreed to undertake the cleanup of a portion of the former Hunter's Point Naval Shipyard, which is more specifically depicted in Appendix A to this Order. This cleanup is currently being undertaken by the U.S. Navy pursuant to the terms of the Hunter's Point Naval Shipyard Federal Facilities Agreement, dated January 22, 1992 ("FFA"). The FFA is being amended to provide in general that the obligations of the Navy to conduct that portion of the cleanup of the Site that SFRA has agreed to perform under the ETCA and this AOC will be suspended so long as the

Respondents comply with all requirements of this Order and other conditions described in the Amended FFA are met [NOTE: SUBJECT TO REVIEW AND CONSENT OF AMENDED FFA TERMS]. In the event that EPA, in consultation with DTSC and RWQCB, determines that the Respondents are in Default as defined in Section XXXII of this Order, the responsibility for any remaining response actions shall revert to the Navy in accordance with the terms and conditions of the Amended FFA.

4. Respondents represent that they are each bona fide prospective purchasers ("BFPP") with respect to the Site as defined by section 101(40) of CERCLA, 42 U.S.C. § 9601(40), that they have and will continue to comply with section 101(40) during their ownership of the Site, and thus qualify for the protection from liability under CERCLA set forth in section 107(r)(1) of CERCLA, 42 U.S.C. § 9607(r)(1), with respect to the Site. In view, however, of the complex nature and significant extent of the Work to be performed by Respondents at the Site, and the risk of claims under CERCLA being asserted against Respondents notwithstanding section 107(r)(1) as a consequence of Respondents' activities at the Site pursuant to this Order, one of the purposes of this Order is to resolve, subject to the reservations and limitations contained in Section XXVI (Reservations of Rights by EPA), any potential liability of Respondents under CERCLA for Existing Contamination, as defined in Paragraph 13 below.

5. EPA, DTSC, RWQCB and Respondents recognize that this Order has been negotiated in good faith and that the actions undertaken by Respondents in accordance with this Order do not constitute an admission of any liability. Respondents do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Order, the validity of the Findings of Fact, and Conclusions of Law and Determinations in Sections V and VI of this Order. Respondents agree to comply with and be bound by the terms of this Order and further agree that they will not contest the basis or validity of this Order or its terms.

## **II. PARTIES BOUND**

6. This Order applies to and is binding upon EPA, DTSC, RWQCB and upon Respondents and their successors and assigns. Any change in ownership or corporate status of Respondents including, but not limited to, any transfer of assets or real or personal property shall not alter Respondents' responsibilities under this Order, except as provided in Paragraph 20.

7. Each Respondent shall be responsible for carrying out the activities required of it by the Statement of Work and this Order in a timely manner and shall be subject to stipulated penalties for its failure to meet the terms and conditions of this Order. A Respondent may be held responsible for carrying out activities required of the other Respondent under the Scope of Work and this Order, but only after EPA, DTSC and RWQCB have exhausted their remedies under this Order against the non-performing Respondent; provided that a Respondent shall respond immediately where EPA determines, in consultation with DTSC and RWQCB, that an immediate response is

required to protect human health and the environment. Where this Order specifies that Respondents have a right or duty, but does not specify which respondent has that right, or duty, the Respondents may designate a single Respondent to exercise that right or perform that duty.

8. Respondents shall ensure that their contractors, subcontractors, and representatives receive a copy of this Order and comply with this Order. Respondents shall be responsible for any noncompliance with this Order by their contractors, subcontractors and representatives.

9. The undersigned representatives of Respondents certify that they are fully authorized to enter into the terms and conditions of this Order and to execute and legally bind Respondents to this Order.

### **III. STATEMENT OF PURPOSE**

10. In entering into this Order, the objectives of EPA, DTSC, RWQCB and Respondents, in addition to the purpose identified in Paragraph 4 above, are: (a) to provide for the construction and implementation of the selected remedial action consistent with CERCLA and the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. Part 300 ("NCP"), including the obligation to implement and maintain institutional controls, including land use covenants, or operation and maintenance at the Site to achieve all applicable or relevant and appropriate requirements not waived ("ARARs"), and other Remedial Action Objectives described in the -RODs; (b) to provide for the payment of response and oversight costs incurred by EPA, DTSC and RWQCB with respect to this Order, provided that neither EPA, DTSC, nor the RWQCB will seek reimbursement from Respondents for any response and oversight costs already paid to them from a Department of Defense funding source; and (c) to fulfill a portion of the required assurances under the CERCLA 120(h)(3)(C) covenant deferral process.

12. The Work conducted under this Order is subject to approval by EPA, after consultation with DTSC and RWQCB. [NOTE: The issue of EPA's consultation with the Navy is to be addressed in the FFA amendment and limited references will be included in rather than the AOC]. For purposes of this Order, consultation with DTSC and RWQCB shall include, but not be limited to, simultaneous receipt by and a reasonable opportunity to review and comment on by DTSC and RWQCB of all documents and deliverables required to be submitted by Respondents under this Order (the reasonable review time for each document/deliverable will be determined by EPA in consultation with DTSC and the RWQCB before or upon receipt of the document/deliverable; opportunity to participate in all meetings among the Parties concerning the Site; and to participate in dispute resolution as provided by Sections XXII and XXIII of this Order. Respondents shall conduct all Work under this Order in compliance with CERCLA, the NCP, and all applicable EPA guidance, policies, and procedures and applicable State law.



#### IV. Definitions

13. Unless otherwise expressly provided herein, terms used in this Order which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Order or in the appendices attached hereto and incorporated hereunder, the following definitions shall apply:

"Amended FFA" shall mean Amendment No. 1 to the Hunter's Point Naval Shipyard Federal Facilities Agreement, dated \_\_\_\_\_.

"Additional Insured Conditions" shall mean those Pollution Conditions in the ACES that are not Cost Cap Insured Conditions but are otherwise within the coverage grant and not excluded from the Environmental Insurance Policies. This term also includes any Pollution Condition that otherwise would have been an Additional Insured Condition but for which coverage was denied by the insurance provider solely due to the failure of the Respondents to comply with any requirements as set forth in the Environmental Insurance Policies, but only to the extent of such specific costs that would have otherwise been funded by the Respondents but for such failure of the Respondents.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601, *et seq.*

"Certification of Completion of Remedial Action" shall mean a certification issued for a ROD Implementation Area after approval of a RACR ~~(note: see new defined below)~~ pursuant to Paragraph 53.c or a certification for the entire Site issued pursuant to Paragraph 53.d.

"Certification of Completion of the Work" shall mean a certification issued for ROD Implementation Area (defined below) pursuant to Paragraph 55.c or a certification for the entire Site issued pursuant to Paragraph 55.d.

"Cost Cap Insured Conditions" shall mean Pollution Conditions that are within the coverage grant and not excluded from the cost overrun insurance component of the Environmental Insurance Policies, and include such Pollution Conditions even after the expiration of the term of, or exhaustion of the limits of, the cost overrun insurance component of the Environmental Insurance Policies, except to the extent such Pollution Condition is a Navy-Retained Condition.

"Covenant Deferral Request" shall mean the document prepared in accordance with CERCLA Section 120(h)(3)(C), which provides the basis for the deferral by EPA, with the concurrence of the State, of the CERCLA covenant with respect to the Site.

"Day" shall mean a calendar day unless expressly stated to be a working day. "Working day" shall mean a day other than a Saturday, Sunday, or State or Federal holiday. In computing any period of time under this Order, where the last day would fall on a Saturday, Sunday, or State or Federal holiday, the period shall run until the close of business of the next working day.

"DTSC" shall mean the Department of Toxic Substances Control and any successor departments or agencies of the State.

"DTSC Future Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that DTSC incurs in reviewing or developing plans, reports and other items pursuant to this Order, verifying the Work, or otherwise implementing, or overseeing this Order including, but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, costs of participating in community relations meetings, legal or enforcement costs, costs to or implement institutional controls, including land use covenants, or operation and maintenance, including, but not limited to, the cost of attorney time and any monies paid to secure access and/or to secure or implement institutional controls including, but not limited to, the amount of just compensation, costs for emergency response, or the costs incurred by DTSC in enforcing the terms of the Order, including all costs incurred in connection with Dispute Resolution pursuant to Sections XXII and XXIII in the Order ~~"Effective Date" shall be the effective date of this Order as provided in Section XXXX.~~

~~"Effective Date" shall be the effective date of this Order as provided in Section XXXX.~~

"Environmental Services" shall mean activities funded by the ETCA solely with respect and limited to the Cost Cap Insured Conditions and Additional Insured Conditions necessary to obtain a Certification of Completion or Interim Certification of Completion and associated Operation and Maintenance activities, except to the extent such Operation and Maintenance Activities are attributable to Navy-Retained Conditions. "Environmental Services" shall also mean any activity specifically identified herein, regardless of its exclusion from Insured Conditions. The term "Environmental Services" does not include the performance of Navy-Retained Condition or "Ineligible Work" as defined in the ETCA; any work associated with implementing amendments of, or Explanations of Significant Differences (ESDs) with, the CERCLA RODs; any work associated with the migration of a Pollution Condition from outside the Site onto, into, or under the Site; or any work associated with the migration of a Pollution Condition from the Site onto, into or under Parcel F, except to the extent such migration is caused or contributed to by the negligence of the Respondents.

Environmental Insurance Policies shall mean the environmental insurance which Respondents shall procure in accordance with the ETCA

"EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.

"EPA Future Response Costs" shall mean all costs not inconsistent with the NCP, including, but not limited to, direct and indirect costs, that the EPA incurs in reviewing or developing plans, reports and other items pursuant to this Order, verifying the Work, or otherwise implementing, overseeing, or enforcing this Order, including, but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, costs of establishing and maintaining the administrative record for a period of [REDACTED] years, or participating in community relations meetings, the costs-incurred pursuant to Section XII (Access and

Institutional Controls), including, but not limited to, the cost of attorney time and any monies paid to secure access and/or to secure or implement institutional controls including, but not limited to, the amount of just compensation costs for emergency response, or the costs incurred by EPA in enforcing the terms of the Order, including all costs incurred in connection with Dispute Resolution pursuant to Sections XXII and XXIII in the Order [Navy Note: ETCA funds for enforcement may be precludedprecluded—see 10 USC 2701(d)(3)]

“ETCA” shall mean the Early Transfer Cooperative Agreement entered into by the Navy and the San Francisco Redevelopment Authority, San Francisco, California for the Site, dated \_\_\_\_, and attached hereto as Exhibit \_\_\_\_.

“Existing Contamination” shall mean:

- 1) any hazardous substances, pollutants or contaminants present or existing on or under the Site as of the Effective Date;
- 2) any hazardous substances, pollutants or contaminants that migrated from the Site prior to the Effective Date; and
- 3) any hazardous substances, pollutants or contaminants presently at the Site that migrate onto or under or from the Property after the Effective Date.

Existing Contamination includes, but is not limited to, Navy-Retained Conditions.

“FFA” shall mean the Hunter’s Point Naval Shipyard Federal Facilities Agreement, dated January 22, 1992, and any amendments thereto.

“Hunter’s Point Special Account” shall mean the special account established at the Site by EPA pursuant to Section 122(b)(3) of CERCLA, 42 U.S.C. § 9622(b)(3).

“Interest” shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

~~“Hunter’s Point Special Account” shall mean the special account established at the Site by EPA pursuant to Section 122(b)(3) of CERCLA, 42 U.S.C. § 9622(b)(3).~~

“Interim Remedial Action Complete Report (IRACR)” shall mean a report prepared pursuant to the *DoD/EPA Joint Guidance, Remedial Streamlined Site Closeout and NPL Deletion Process for DoD Facilities* demonstrating that at a ROD Implementation Area where the remedy involving long-term operation of a groundwater or soil vapor remediation system, the system is constructed, in place, and is operating properly and successfully but the Remedial Action Objectives have not been attained.

“Institutional Controls” ~~[NOTE: No change, just moved to be in alphabetical order]~~ shall mean non-engineered instruments, such as administrative and/or legal controls, that help to minimize the potential for human exposure to contamination and/or protect the integrity of a remedy by limiting land and/or resource use. Examples of

institutional controls include easements and covenants, zoning restrictions, special building permit requirements, and well drilling prohibitions.

“Interim Certification of Completion of Remedial Action” shall mean a certification issued for a ROD Implementation Area after approval of an I-RACR pursuant to paragraph 53.c.

"National Contingency Plan" or "NCP" shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, and any amendments thereto.

“Navy Retained Conditions shall mean: (i) Unexploded Ordnance; Military Munitions; chemical, radiological or biological warfare agents; and Radiological Materials; (ii) the performance of CERCLA five-year reviews for years 2013 and 2018 for remedies selected in CERCLA RODs issued by the Navy; (iii) any activity identified as the responsibility of the Navy in the Amended FFA and (iv) Uninsured Conditions. The term Navy-Retained Conditions does not include Ineligible Work as defined in the ETCA.

"Operation and Maintenance" or "O & M" shall mean all activities required to maintain the effectiveness of the Remedial Action(s) as required by EPA, in consultation with DTSC and RWQCB, pursuant to this Order subsequent to and as a condition of the issuance of a Certification of Completion of Remedial Action or Interim Certification of Completion of Remedial Action.

“Order” shall mean this Administrative Order on Consent, the SOW, all appendices attached hereto (listed in Section XXXVI) and all documents incorporated by reference into this document, including without limitation EPA-approved submissions. EPA-approved submissions (other than progress reports) are incorporated into and become a part of the Order upon approval by EPA. In the event of conflict between this Order and any appendix or other incorporated documents, this Order shall control.

"Paragraph" shall mean a portion of this Order identified by an Arabic numeral or an upper case letter.

"Parties" shall mean EPA, DTSC, RWQCB and Respondents.

“Pollution Conditions” shall have the meaning set forth in the Environmental Insurance Policies.

“RACR” shall mean a report prepared pursuant to the *DoD/EPA Joint Guidance, Remedial Streamlined Site Closeout and NPL Deletion Process for DoD Facilities* demonstrating that (1) the remedy at a ROD Implementation Area has been fully performed, including recordation of a modification to the LUC(s), if required by EPA; (2) initial implementation of any other institutional controls called for in the ROD, and (3) the Remedial Action Objectives have been attained.

“Radiological Materials” shall mean solid, liquid, or gaseous material derived from U.S. Government activities, that contains radionuclides regulated by the Atomic Energy Act of 1954, as amended, and those materials containing radionuclides, including the following: nuclear propulsion plants for ships and submarines; nuclear devices and

nuclear components thereof, and radiographic and instrument calibration sources and various instrumentation and radioluminescent products manufactured for military applications. The term "Radiological Materials" does not include products commonly used in non-military applications such as radioluminescent signs and household smoke detector components—that do not require special handling or treatment as a result of the materials containing radionuclides, or are otherwise subject to regulatory standards that would be applied in the absence of such radiological materials.

"RCRA" shall mean the Solid Waste Disposal Act, as amended, 42 U.S.C. ● 6901 *et seq.* (also known as the Resource Conservation and Recovery Act).

"Record of Decision(s)" or "ROD(s)" shall mean that certain CERCLA Amended Record of Decision for Parcel B dated \_\_\_\_\_ and that certain CERCLA Record of Decision for Parcel G dated \_\_\_\_\_. including all attachments thereto. The term "Record of Decision(s)" or "ROD(s)" shall not include any amendment, modification or supplement to the above-referenced Records of Decision except to the extent required as the result of any negligent act or omission of Respondents or their contractors. **EPA –**

**NOTE: [If not attributable to Respondents' negligence or omission, this would be Navy Retained].**

"Remedial Action" shall mean those activities, except for Operation and Maintenance, to be undertaken by the Respondents to implement each of the RODs in accordance with the SOW and the Remedial Design and Remedial Action Work Plans and other plans approved by EPA, after consultation with DTSC and RWQCB.

***"Remedial Action Objective" Shall mean the numeric or narrative clean-up standard specifically designated in a ROD as the "remedial action objective" for a particular remedy selected in the ROD.***

"Remedial Action Work Plan" shall mean the document(s) developed pursuant to Paragraph 29 of this Order and approved or modified by EPA, after consultation with DTSC and RWQCB, and any amendments thereto.

"Remedial Designs" shall mean that certain Remedial Design for Parcel B dated \_\_\_\_ and that certain Remedial Design for Parcel G dated \_\_\_\_.

"Risk Management Plans" or "RMPs" shall mean that certain Pre-RACR Risk Management Plan dated \_\_\_\_, and that certain Post-RACR Risk Management Plan dated \_\_\_\_, and any subsequent amendments thereto.

"ROD Implementation Area" shall mean the portions of Parcels B and G identified in Exhibit \_\_\_\_, attached hereto, as that Exhibit may be amended from time to time with the approval of EPA, in consultation with DTSC and the RWQCB, which form the geographic units for which Respondents will seek certification of completion pursuant to Section XVII

"RWQCB" shall mean the Regional Water Quality Control Board, San Francisco Bay Region, and any successor agencies of the State.

"RWQCB Future Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the RWQCB incurs in reviewing or developing plans, reports and other items pursuant to this Order, verifying the Work, or otherwise implementing, or overseeing this Order including, but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, costs of participating in community relations meetings, legal or enforcement costs, including, but not limited to, the cost of attorney time and any monies paid to secure access and/or to secure costs to establish or implement institutional controls-including, but not limited to, the amount of just compensation, costs for emergency response, or the costs incurred by the RWQCB in enforcing the terms of the Order, including all costs incurred in connection with Dispute Resolution pursuant to Sections XXII and XXIII in the Order.

"Section" shall mean a portion of this Order identified by a Roman numeral.

"Site" shall mean that portion of the Hunter's Point Naval Shipyard Superfund Site which Respondents have agreed to remediate in accordance with this Order, encompassing approximately [REDACTED] acres, described in Appendix A and depicted generally on the map attached as Appendix B. It is the intent of the Parties that the scope of the "Site" shall be the same as the "Area Covered by Environmental Services" as that term is defined in the ETCA

"State" shall mean the State of California.

"State Interest" shall mean the interest rate applied to outstanding payments for costs billed pursuant to California Health and Safety Code section 25360.1. The rate of interest is subject to change.

"Statement of Work" or "SOW" shall mean the statement of work required of each Respondent for implementation of one or more Remedial Design(s) and Remedial Action(s) the Site, as set forth in Appendix C to this Order and any modifications made in accordance with this Order. The Statement of Work shall identify, for each element of Work, which Respondent is responsible for performing that element.

"Supervising Contractor" shall mean the principal contractor retained by the Respondents to supervise and direct the implementation of the Work under this Order.

"United States" shall mean the United States of America.

"Uninsured Conditions" shall mean those Pollution Conditions that are not Cost Cap Insured Conditions or Additional Insured Conditions.

"Waste Material" shall mean (1) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); (2) any pollutant or contaminant under Section 101(33), 42 U.S.C. § 9601(33); (3) any "solid waste" under Section 1004(27) of RCRA, 42 U.S.C. § 6903(27); (4) any "hazardous waste" under California Health and Safety Code section 25117, or "hazardous substance" under California Health and Safety Code section 25316; and (5) any "waste" under California Water Code section 13050.

***"Work" shall mean the activities with respect and limited to (1) the Cost Cap Insured Conditions, (2) Additional Insured Conditions, and (3) such other specified activities that each Respondent is required to perform under this Order, except (1) those required by Section XXXIV (Retention of Records) (2) those aspects of a remedy***

which, after installation and implementation, require only periodic monitoring, inspection, enforcement, maintenance and repair. and (3) such further response actions selected pursuant to paragraph 29, except to the extent necessitated by the acts or omissions of Respondents.

## V. FINDINGS OF FACT

14. Hazardous substances that have been released or that have the potential to be released within the Site include, but may not be limited to, metals, volatile organic compounds (VOC), semivolatile organic compounds (SVOC), pesticides, polychlorinated biphenyls (PCB), and radionuclides. Concentrations of a group of metals, especially arsenic and manganese, consistently exceeded remediation goals at locations across Parcels B and G these ubiquitous metals are addressed by eliminating the exposure pathway with a cover. Groundwater contaminants which include VOCs, especially trichloroethene (TCE) and its degradation product vinyl chloride, pose a risk from exposure via vapor intrusion into buildings. ~~NOTE: This has always been blank in our drafts. Who is going to fill in, and what kind of detail is expected? which currently pose potential long term risks to human health or the environment.~~

On January 22, 1992, the EPA, State of California Department of Health Services ("DHS") (now DTSC), and the Navy entered into a Federal Facilities Agreement requiring the Navy to identify, perform and complete all necessary response actions, including operation and maintenance at the former Hunter's Point Naval shipyard under CERCLA.

The Site contains 16 known Installation Restoration Program sites ("IRP sites"). The Navy has signed a Record of Decision and an Amended Record of Decision to select a remedy for the IRP sites.

The former Hunter's Point Naval Shipyard was selected in 1992 for Base Realignment and Closure and was officially closed in 1974.

The SFRA has requested an early transfer of the Site, which it has or will acquire, upon EPA's approval of and the State's concurrence on the Covenant Deferral Request. All of the response actions undertaken by Respondents shall be performed under this AOC, as determined by EPA, with DTSC and RWQCB concurrence, pursuant to CERCLA and the NCP.

## VI. CONCLUSIONS OF LAW AND DETERMINATIONS

15. Based on the Findings of Fact set forth above, and the Administrative Record supporting this Order, EPA has determined that:

a. The former Hunter's Point Naval Shipyard is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

b. The contamination found at the Site, as identified in the Findings of Fact above, includes "hazardous substances" as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14), and Waste Materials as defined in Section IV of this Order.

c. Respondents are each "persons" as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

d. The conditions described in Paragraph 14 above constitute an actual or threatened release of a hazardous substance from the facility as defined by Section 101(22) of CERCLA, 42 U.S.C. § 9601(22), or a release of Waste Material, as defined in Section IV of this Order.

e. The response actions required by this Order are necessary to protect the public health, welfare, or the environment and, if carried out in compliance with the terms of this Order, will be considered consistent with the NCP, as provided in Section 300.700(c)(3)(ii) of the NCP.

## **VII. ADMINISTRATIVE ORDER**

16. Based upon the foregoing Findings of Fact and Conclusions of Law and Determinations, it is hereby Ordered and Agreed that Respondents shall comply with the provisions of this Order, including, but not limited to, all appendices to this Order and all documents incorporated by reference into this Order.

## **VIII. GENERAL PROVISIONS**

### **17. Commitments by Respondents.**

Respondents shall finance, through the funds provided by the Navy pursuant to the ETCA and any proceeds from the Environmental Insurance Policies, and shall perform the Work in accordance with this Order, the SOW, the Records of Decision, and other decision documents applicable to the Site and associated with the Records of Decision, and all work plans and other plans, standards, specifications, and schedules set forth herein or developed by Respondents and approved by EPA, in consultation with DTSC and RWQCB, pursuant to this Order. Respondents shall also reimburse EPA, DTSC and RWQCB for their respective Future Response Costs as provided in this Order.



18. Compliance with Applicable Law.

All activities undertaken by the Respondents pursuant to this Order shall be performed in accordance with the requirements of all applicable federal and state laws and regulations. Respondents must also comply with all applicable or relevant and appropriate requirements of federal and state environmental laws as set forth in the ROD(s) and the SOW. The activities conducted pursuant to this Order, if approved by EPA, shall be considered to be consistent with the NCP.

19. Permits

a. As provided in Section 121(e) of CERCLA and Section 300.400(e) of the NCP, no permit shall be required for any portion of the Work conducted entirely on-Site (i.e., within the areal extent of contamination or in very close proximity to the contamination and necessary for implementation of the Work) and where such remedial action is selected and carried out in compliance with Section 121 of CERCLA. Where any portion of the Work that is not on Site requires a federal or state permit or approval, Respondents shall submit timely and complete applications and take all other actions necessary to obtain all such permits and approvals.

b. The Respondents may seek relief under the provisions of Section XXI (Force Majeure) of this Order for any delay in the performance of the Work resulting from a failure to obtain, or delay in obtaining, any permit required for the Work.

c. This Order is not, and shall not be construed to be, a permit issued pursuant to any federal or state statute or regulation.

20. Conveyance of Site.

a. At least 30 days prior to the conveyance of a fee interest or leasehold interests in excess of 20 years to any portion of the Site. Respondents shall give written notice to EPA, DTSC, and RWQCB of the proposed conveyance, including the name and address of the grantee. Nothing in this Order shall be construed to require Respondents to secure the approval of EPA, DTSC, or RWQCB before transferring such interest

b. ***In the event of any such conveyance, Respondent's obligations under this Order shall be unaffected, unless EPA, in consultation with DTSC and RWQCB, approves the transfer of the obligations of Respondents under this Order to a successor. EPA's decision under this Paragraph 20.b. is in its sole discretion and shall not be subject to dispute resolution or judicial review. EPA will consider the following criteria, among others, in approving or disapproving a proposed successor for the Work under this Order: (i) the technical qualifications of the successor, or its proposed consultant, to perform remaining Work obligations; (ii)***

financial ability to perform such obligations; (iii) the successor's legal status and legal authority to sign the Order; (iv) the proposed successor's willingness to sign the Order without modification; and (v) assurance that the proposed transfer of Work obligations will not hinder or delay completion of the Work. If EPA, in consultation with DTSC and RWQCB approve a successor for the Work under this Order, EPA, DTSC, and RWQCB ~~may~~**shall** also provide covenants not to sue for the successor similar to those provided in Paragraphs ~~8777~~**8777** and ~~9089~~**9089** of this Order.

#### **IX. PERFORMANCE OF THE WORK BY RESPONDENTS**

##### **21. Selection of Supervising Contractor.**

a. All aspects of the Work to be performed by the Respondents pursuant to Sections IX (Performance of the Work by Respondents), X (Remedy Review), XI (Quality Assurance, Sampling and Data Analysis), and XVIII (Emergency Response) of this Order shall be under the direction and supervision of the Supervising Contractor, the selection of which shall be subject to disapproval by EPA, after consultation with DTSC and RWQCB. Respondent ***HPS Development Company has proposed to use MACTEC as its Supervising Contractor and provided EPA, DTSC and RWQCB with the information meeting the criteria described in subparagraph b. below, including its qualifications and Quality Management Plans.*** MACTEC is not disapproved. **NOTE: MACTEC to submit necessary information for review.**

b. If at any time in the future, Respondents propose to change its Supervising Contractor, Respondents shall notify EPA, DTSC and RWQCB in writing at least sixty (60) days in advance of such change, and must obtain an authorization to proceed from EPA, after consultation with DTSC and RWQCB, before the new Supervising Contractor performs, directs, or supervises any Work under this Order. Respondents must provide the name, title, and qualifications of any contractor proposed to be Supervising Contractor. With respect to any contractor proposed to be Supervising Contractor, Respondents shall demonstrate that the proposed contractor has a quality system that complies with ANSI/ASQC E4-1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs," (American National Standard, January 5, 1995), by submitting a copy of the proposed contractor's Quality Management Plan (QMP). The QMP should be prepared in accordance with "EPA Requirements for Quality Management Plans (QA/R-2)" (EPA/241/B-01/002, March 2001) or equivalent documentation as determined by EPA. EPA, after consultation with DTSC and RWQCB, will issue a notice of disapproval or an authorization to proceed.

c. If EPA disapproves a proposed Supervising Contractor, EPA will notify Respondents in writing. Respondents shall submit to EPA, DTSC and RWQCB a list of contractors, including the qualifications of each contractor that would be acceptable to

them, within 30 days of receipt of EPA's disapproval of the contractor previously proposed. After consultation with DTSC and RWQCB, EPA will provide written notice of the names of any contractor(s) that it disapproves and an authorization to proceed with respect to any of the other contractors. Respondents may select any contractor from that list that is not disapproved and shall notify EPA, DTSC and RWQCB of the name of the contractor selected within 21 days of EPA's authorization to proceed.

d. If EPA fails to provide written notice of its authorization to proceed or disapproval as provided in this Paragraph and this failure prevents Respondents from meeting one or more deadlines in a plan approved by the EPA pursuant to this Order, Respondents may seek relief under the provisions of Section XXI (Force Majeure).

22. Remedial Action. With respect to each remedial action, the following procedures and requirements shall apply:

a. Within [REDACTED] days of the Effective Date of this Order, Respondents shall submit to EPA, DTSC and RWQCB a work plan for the performance of the Remedial Action at the Site ("Remedial Action Work Plan"). The Remedial Action Work Plan shall provide for construction and implementation of the remedy set forth in the relevant ROD and achievement of the Remedial Action Objectives, in accordance with the ROD, this Order, the SOW, and the design plans and specifications developed in accordance with the Remedial Design Work Plan and approved by EPA after consultation with DTSC and RWQCB. Upon its approval by EPA, the Remedial Action Work Plan shall be incorporated into and become enforceable under this Order. At the same time as the Remedial Action Work Plan is submitted, Respondents shall submit to EPA, DTSC and RWQCB a Health and Safety Plan for field activities required by the Remedial Action Work Plan which conforms to the applicable Occupational Safety and Health Administration and EPA requirements, including but not limited to, 29 C.F.R. § 1910.120.

b. The Remedial Action Work Plan shall include the following which among other things shall provide for the complete initial installation of surface cover for all portions of the site for which RODs require a surface cover remedy no later than seven years after the Effective Date of this order: (1) schedule for completion of the Remedial Action; (2) schedule for developing and submitting other required Remedial Action plans; (3) methods for satisfying permitting requirements (4) methodology for implementation of the Operation and Maintenance Plan; (5) methodology for implementation of the Contingency Plan; (6) tentative formulation of the Remedial Action team; (7) construction quality control plan (by constructor); and (8) procedures and plans for the decontamination of equipment and the disposal of contaminated materials. The Remedial Action Work Plan also shall include the methodology for implementation of the Construction Quality Assurance Plan and a schedule for implementation of all Remedial Action tasks identified in the final design submittal and shall identify the initial formulation of the Respondents' Remedial Action Project Team (including, but not limited to, the Supervising Contractor).

c. Upon approval of the Remedial Action Work Plan by EPA, after consultation with DTSC and RWQCB, Respondents shall implement the activities required under the Remedial Action Work Plan. The Respondents shall submit to EPA,

DTSC and RWQCB all plans, submittals, or other deliverables required under the approved Remedial Action Work Plan in accordance with the approved schedule for review and approval pursuant to Section XIV (EPA Approval of Plans and Other Submissions). Unless otherwise directed by EPA, Respondents shall not commence physical Remedial Action activities at the Site prior to approval of the Remedial Action Work Plan.

23. The Respondents shall continue to implement the Remedial Action and Operation and Maintenance until the Remedial Action Objectives are achieved and for so long thereafter as is otherwise required under this Order and the ROD.

24. Respondents acknowledge and agree that nothing in this Order, the SOW, or the Remedial Design or Remedial Action Work Plans constitutes a warranty or representation of any kind by EPA, DTSC or RWQCB that compliance with the work requirements set forth in the SOW and the Work Plans will achieve the Remedial Action Objectives.

25. Except as expressly provided in the SOW (~~NOTE~~ to allow for revetment wall work) Respondents are not required to perform any Work under this Order on any property that is outside the boundaries of the Site or any Work associated with release of hazardous substances that have migrated onto, under or in the Site from a source outside the Site. Note if this is intended to be prospective, it works, but the source of existing contamination is not relevant.

26. Waste Shipments.

a. For any Work performed under this Order, Respondents shall comply with all applicable State waste management laws.

b. For any Work performed under this Order, Respondents shall, prior to any shipment of Waste Material from the Site to an out-of-state waste management facility, provide written notification to the appropriate state environmental official in the receiving facility's state and to the EPA, DTSC and RWQCB Project Coordinators of such shipment of Waste Material. However, this notification requirement shall not apply to any off-site shipments to out-of-state waste management facilities when the total volume of all such shipments will not exceed 10 cubic yards.

c. The Respondents shall include in the written notification for out-of-state waste shipments the following information, where available: (1) the name and location of the facility to which the Waste Material is to be shipped; (2) the type and quantity of the Waste Material to be shipped; (3) the expected schedule for the shipment of the Waste Material; and (4) the method of transportation. The Respondents shall notify the state in which the planned receiving facility is located of major changes in the shipment plan, such as a decision to ship the Waste Material to another facility within the same state, or to a facility in another state.

d. The identity of the receiving facility and state will be determined by the Respondents following the award of the contract for Removal Action

or Remedial Action construction. The Respondents shall provide the information required by Paragraph 24.c. as soon as practicable after the award of the contract and before the Waste Material is actually shipped.

27. Off-Site Waste Shipments. Before shipping any hazardous substances, pollutants, or contaminants from the Site to an off-Site location, Respondents shall obtain EPA's certification that the proposed receiving facility is operating in compliance with the requirements of CERCLA Section 121(d)(3) and 40 C.F.R. 300.440. If the off-Site location is in California, Respondents shall obtain certification from the State that the proposed receiving facility is in substantial compliance with California laws. Respondents shall only send hazardous substances, pollutants, or contaminants from the Site to an off-Site facility that complies with the requirements of the statutory provisions and regulations cited in the preceding sentences.

## X. Remedy Review

### 28. Periodic Review.

For the duration of this Order, Respondents shall conduct any studies and investigations as requested by EPA, after consultation with DTSC and RWQCB, in order to permit EPA and/or the Navy to conduct reviews of whether any Remedial Action(s) is(are) protective of human health and the environment at least every five years as required by Section 121(c) of CERCLA and any applicable regulations.

### 29. Selection of Further Response Actions.

If EPA and the Navy determine, at any time, after consultation with DTSC and RWQCB, that any Remedial Action at the Site is not protective of human health and the environment, EPA and the Navy may select further response actions for the Site in accordance with the requirements of the FFA, CERCLA and the NCP ("Further Response Actions").

a. Opportunity to Comment. For the duration of this Order, Respondents and, if required by Sections 113(k)(2) or 117 of CERCLA, the public, will be provided with an opportunity to comment on any further response actions proposed by EPA and to submit written comments for the record during the comment period.

b. Limitations on Respondents's Obligation to Perform Further Response Actions. If EPA and the Navy select Further Response Actions for the Site, the Respondents shall have no obligation to undertake such Further Response Actions to the extent that such Actions are required as a result of Navy-Retained Conditions or to the extent such Actions are not part of the Environmental Services. Any requirement that Respondents undertake Further Response Actions shall be subject to Respondents' right to dispute resolution in accordance with Section XXIII. [NOTE: "Further Response Actions" would be a defined term in Section 13.]

c. Submissions of Plans. If Respondents are required to perform further response actions pursuant to Paragraph 29.b., Respondents shall submit a plan for such

work to EPA for approval, in accordance with the procedures set forth in Section IX (Performance of the Work by Respondents) and shall implement the plan approved by EPA, after consultation with DTSC and RWQCB, in accordance with the provisions of this Order.

#### **XI. QUALITY ASSURANCE, SAMPLING, AND DATA ANALYSIS**

30. Respondents shall use quality assurance, quality control, and chain of custody procedures for all assessment, characterization, treatability, design, compliance and monitoring samples in accordance with "Uniform Federal Policy for Quality Assurance Project Plans (UFP-QAPP) (EPA/505/B-04-900A, March 2005), "EPA Requirements for Quality Assurance Project Plans (QA/R5)" (EPA/240/B-01/003, March 2001) "Guidance for Quality Assurance Project Plans (QA/G-5)" (EPA/600/R-98/018, February 1998), and subsequent amendments to such guidelines upon notification by EPA to Respondents of such amendment. Amended guidelines shall apply only to procedures conducted after such notification. Prior to the commencement of any monitoring project under this Order, Respondents shall submit to EPA for approval, a Quality Assurance Project Plan ("QAPP") that is consistent with the SOW, the NCP and relevant guidance. If relevant to the proceeding, the Parties agree that validated sampling data generated in accordance with the QAPP(s) and reviewed and approved by EPA shall be admissible as evidence, without objection, in any proceeding under this Order. Respondents shall ensure that EPA, DTSC and RWQCB personnel and their authorized representatives are allowed access at reasonable times to all laboratories utilized by Respondents in implementing this Order. In addition, Respondents shall ensure that such laboratories shall analyze all samples submitted by EPA, DTSC or RWQCB pursuant to the QAPP for quality assurance monitoring. Respondents shall ensure that the laboratories it utilizes for the analysis of samples taken pursuant to this Order perform all analyses according to accepted EPA methods. Accepted EPA methods consist of those methods which are documented in the "Contract Lab Program Statement of Work for Inorganic Analysis" and the "Contract Lab Program Statement of Work for Organic Analysis," dated February 1988 (collectively, "CLP-approved methods"), and any amendments made thereto during the course of the implementation of this Order; however, upon approval by EPA, after consultation with DTSC and RWQCB, the Respondents may use other analytical methods which are as stringent as or more stringent than the CLP- approved methods. Respondents shall ensure that all laboratories it uses for analysis of samples taken pursuant to this Order participate in an EPA or EPA-equivalent QA/QC program. Respondents shall only use laboratories that have a documented Quality System which complies with ANSI/ASQC E4-1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs," (American National Standard, January 5, 1995), and ■EPA Requirements for Quality Management Plans (QA/R-2)," (EPA/240/B-01/002, March 2001) or equivalent documentation as determined by EPA after consultation with DTSC and RWQCB. EPA may consider laboratories accredited under the National Environmental Laboratory Accreditation Program (NELAP) as meeting the Quality

System requirements. Respondents shall ensure that all field methodologies utilized in collecting samples for subsequent analysis pursuant to this Order will be conducted in accordance with the procedures set forth in the QAPP approved by EPA.

31. Upon request, the Respondents shall allow split or duplicate samples to be taken by EPA, DTSC or RWQCB or their authorized representatives. Respondents shall notify EPA, DTSC and RWQCB not less than 28 days in advance of any sample collection activity unless shorter notice is agreed to by EPA, after consultation with DTSC and RWQCB. In addition, EPA, DTSC and RWQCB shall have the right to take any additional samples that they deem necessary. Upon request, EPA shall allow the Respondents to take split or duplicate samples of any samples it takes as part of the EPA's oversight of the Respondents' implementation of the Work.

32. Respondents shall submit to EPA, DTSC and RWQCB two copies of the results of all sampling and/or tests or other data obtained or generated by or on behalf of Respondents with respect to the Site and/or the implementation of this Order unless EPA agrees otherwise, after consultation with DTSC and RWQCB.

33. Notwithstanding any provision of this Order, the United States and the State, including DTSC and RWQCB, hereby retain all of their information gathering and inspection authorities and rights, including enforcement actions related thereto, under CERCLA, RCRA and any other applicable statutes or regulations.

## **XII. ACCESS AND INSTITUTIONAL CONTROLS**

34. As required in the covenant deferral process, certain restrictions on land/soil and groundwater use are needed to assure protection of human health and the environment at the time of transfer of the Site, and prior to and during the implementation of response actions at the Site. Accordingly, the Navy, EPA, DTSC and RWQCB have prepared, in consultation with Respondents, land use covenants ("LUCs") consistent with the requirements of the RODs for Parcels B and G, and Respondents have prepared, and EPA, DTSC and RWQB have approved the Risk Management Plans.

a. Respondents shall comply with the use restrictions set forth in the LUCs and the **requirements of the Risk Management Plans** except to the extent Respondents obtain the approval of Navy, DTSC, EPA and RWQCB to allow an otherwise restricted use or activity pursuant to the approval procedures set forth in the LUCs **or Risk Management Plans, respectively**:

b. Respondents shall refrain from using the Site in any ~~manner~~ **manner** that would interfere with or adversely affect the implementation, integrity, or protectiveness of ~~remedial~~ **remedial** measures and response actions to be performed pursuant to this Order and/or in accordance with the RODs.



35. As of the Effective Date of this Order, if the Site is owned or controlled by Respondents, Respondents shall: provide the United States, including EPA and the Navy, and DTSC and RWQCB, and their representatives and contractors, with access at all reasonable times to the Site, for the purpose of conducting any activity related to this Order including, but not limited to, the following activities:

- (1) Monitoring the Work;
- (2) Verifying any data or information submitted to EPA, DTSC and RWQCB;
- (3) Conducting investigations relating to contamination at or near the Site;
- (4) Obtaining samples;
- (5) Assessing the need for planning or implementing response actions or additional response actions at or near the Site;
- (6) Assessing implementation of quality assurance and quality control practices as defined in the approved Quality Assurance Project Plans;
- (7) Implementing any response actions or the Work in the event of Default by Respondents;
- (8) Inspecting and copying records, operating logs, contracts or other documents maintained or generated by Respondents or its agents, consistent with Section XXXIII (Access to Information);
- (9) Assessing Respondents' compliance with this Order; and
- (10) Determining whether the Site is being used in a manner that is prohibited or restricted, or that may need to be prohibited or restricted by, or pursuant to this Order.

36. If EPA determines, after consultation with DTSC and RWQCB, that land/water use restrictions in the form of state or local laws, regulations, ordinances or other governmental controls are needed to implement any remedies selected in the RODs, ensure the integrity and protectiveness thereof, or ensure non-interference therewith, Respondents shall cooperate with EPA's efforts to secure such governmental controls.

37. Notwithstanding any provision of this Order, the United States and the State, including DTSC and RWQCB, retain all of their access authorities and rights, as well as all of their rights to require land/water use restrictions, including enforcement authorities related thereto, under CERCLA, RCRA and any other applicable statutes or regulations.

### **XIII. REPORTING REQUIREMENTS**

38. In addition to any other requirement of this Order, Respondents shall submit two copies of written monthly progress reports to EPA, DTSC and RWQCB that:



(a) describe the actions which have been taken toward achieving compliance with this Order during the previous month; (b) include a summary of all results of sampling and tests and all other data received or generated by Respondents or their contractors or agents in the previous month; (c) identify all work plans, plans and other deliverables required by this Order completed and submitted during the previous month; (d) describe all actions, including, but not limited to, data collection and implementation of work plans, which are scheduled for the next six weeks and provide other information relating to the progress of construction, including, but not limited to, critical path diagrams, Gantt charts and Pert charts; (e) include information regarding percentage of completion, unresolved delays encountered or anticipated that may affect the future schedule for implementation of the Work, and a description of efforts made to mitigate those delays or anticipated delays; (f) include any modifications to the work plans or other schedules that Respondents has proposed to EPA or that have been approved by EPA; and (g) describe all activities undertaken in support of the Community Relations Plan during the previous month and those to be undertaken in the next six weeks. Respondents shall submit these progress reports to EPA, DTSC and RWQCB by the tenth day of every month following the Effective Date of this Order until EPA notifies the Respondents pursuant to Section XVII (Certification of Completion). If requested by EPA, DTSC or RWQCB, Respondents shall also provide briefings for EPA, DTSC and RWQCB to discuss the progress of the Work.

39. The Respondents shall notify EPA, DTSC and RWQCB of any change in the schedule described in the monthly progress report for the performance of any activity, including, but not limited to, data collection and implementation of work plans, no later than seven days prior to the performance of the activity.

40. Upon the occurrence of any event during performance of the Work that is required to be reported pursuant to Section 103 of CERCLA or Section 304 of the Emergency Planning and Community Right-to-know Act ("EPCRA"), the Respondent owning the property where the event occurred shall within 24 hours of the onset of such event orally notify the EPA, DTSC and RWQCB Project Coordinators or the Alternate EPA Project Coordinator (in the event of the unavailability of the EPA Project Coordinator), or, in the event that neither the EPA Project Coordinator or Alternate EPA Project Coordinator is available, the Emergency Response Section, Region 9, United States Environmental Protection Agency. These reporting requirements are in addition to the reporting required by CERCLA Section 103 or EPCRA Section 304.

41. Within 20 days of the onset of such an event, the Respondent owning the property where the event occurred shall furnish to EPA, DTSC and RWQCB a written report, signed by that Respondent's Project Coordinator, setting forth the events which occurred and the measures taken, and to be taken, in response thereto. Within 30 days of the conclusion of such an event, that Respondent shall submit a report setting forth all actions taken in response thereto.

42. Each Respondent shall submit two copies of all plans, reports, and data required by the SOW, each Remedial Design Work Plan, each Remedial Action Work Plan, or any other document which that respondent is required to submit under the Scope of Work to EPA in accordance with the schedules set forth in such plans. The submitting

Respondent shall simultaneously submit two copies of all such plans, reports and data the Respondent is required to submit under the Scope of Work to DTSC and RWQCB. Upon request by EPA, DTSC or RWQCB, the submitting Respondents shall submit in electronic form all portions of any report or other deliverable Respondents are required to submit pursuant to the provisions of this Order.

43. All reports and other documents submitted by Respondents to EPA, DTSC and RWQCB (other than the monthly progress reports referred to above) which purport to document Respondents' compliance with the terms of this Order shall be signed by an authorized representative of the Respondents.

#### **XIV. EPA APPROVAL OF PLANS AND OTHER SUBMISSIONS**

44. After review of any plan, report or other item which is required to be submitted for approval pursuant to this Order, EPA, after consultation with DTSC and RWQCB, shall: (a) approve, in whole or in part, the submission; (b) approve the submission upon specified conditions; (c) modify the submission to cure the deficiencies; (d) disapprove, in whole or in part, the submission, directing that the submitting Respondent modify the submission; or (e) any combination of the above. However, EPA shall not modify a submission without first providing the submitting Respondent at least one notice of deficiency and an opportunity to cure within thirty (30) days, except where to do so would cause serious disruption to the Work or where previous submission(s) have been disapproved due to material defects and the deficiencies in the submission under consideration indicate a bad faith lack of effort to submit an acceptable deliverable.

45. In the event of approval, approval upon specified conditions, or modification by EPA, pursuant to Paragraph 46(a), (b), or (c), the submitting Respondent shall proceed to take any action required by the plan, report, or other item, as approved or modified by EPA subject only to Respondents' right to invoke the Dispute Resolution procedures set forth in Section XXIII (Dispute Resolution) with respect to the modifications or conditions made by EPA. In the event that EPA modifies the submission to cure the deficiencies pursuant to Paragraph 46(c) and the submission has a material defect, EPA retains its right to seek stipulated penalties, as provided in Section XXIV (Stipulated Penalties).

46. **Resubmission of Plans.**

a. Upon receipt of a notice of disapproval pursuant to Paragraph 44, the submitting Respondent shall, within thirty (30) days or such longer time as specified by EPA in such notice, correct the deficiencies and resubmit the plan, report, or other item for approval. Any stipulated penalties applicable to the submission, as provided in Section XXIV, shall accrue during the 30-day period or otherwise specified period but shall not be payable unless the resubmission is disapproved or modified due to a material defect as provided in Paragraph 54.

b. Notwithstanding the receipt of a notice of disapproval pursuant to Paragraph 44, the submitting Respondent shall proceed, at the direction of EPA, to take any action required by any non-deficient portion of the submission. Implementation of

any non-deficient portion of a submission shall not relieve Respondents of any liability for stipulated penalties under Section XXIV (Stipulated Penalties).

47. In the event that a resubmitted plan, report or other item, or portion thereof, is disapproved by EPA, after consultation with DTSC and RWQCB, EPA may again require the submitting Respondent to correct the deficiencies, in accordance with the preceding Paragraphs. EPA also retains the right to ~~modify or develop the plan, report or other item~~. The submitting Respondent shall implement any such plan, report, or item as modified or developed by EPA, subject only to its right to invoke the procedures set forth in Section XXIII (Dispute Resolution).

48. If upon resubmission, a plan, report, or item is disapproved or modified by EPA due to a material defect, the submitting Respondent shall be deemed to have failed to submit such plan, report, or item timely and adequately unless the submitting Respondent invokes the dispute resolution procedures set forth in Section XXIII (Dispute Resolution) and EPA's action is overturned pursuant to that Section. The provisions of Section XXIII (Dispute Resolution) and Section XXIV (Stipulated Penalties) shall govern the implementation of the Work and accrual and payment of any stipulated penalties during Dispute Resolution. If EPA's disapproval or modification is upheld, ~~stipulated~~ penalties shall accrue for such violation from the date on which the initial submission was originally required, as provided in Section XXIV.

49. All plans, reports, and other items required to be submitted to EPA, DTSC and RWQCB under this Order shall, upon approval or modification by EPA, be enforceable under this Order. In the event EPA approves or modifies a portion of a plan, report, or other item required to be submitted to EPA under this Order, the approved or modified portion shall be enforceable under this Order.

## **XV. PROJECT COORDINATORS**

50. Within 20 days of the Effective Date of this Order, each Respondent, DTSC, RWQCB and EPA will notify each other, in writing, of the name, address and telephone number of their respective designated Project Coordinators and Alternate Project Coordinators. If a Project Coordinator or Alternate Project Coordinator initially designated is changed, the identity of the successor will be given to the other Parties at least 5 working days before the changes occur, unless impracticable, but in no event later than the actual day the change is made. The Respondents' Project Coordinators shall be subject to disapproval by EPA, in consultation with DTSC and RWQCB, and shall have the technical expertise sufficient to adequately oversee all aspects of the Work. The Respondents' Project Coordinators shall not be attorneys for the Respondents in this matter. They may assign other representatives, including other contractors, to serve as a representative for oversight of performance of daily operations during remedial activities.

51. EPA, DTSC and RWQCB may designate other representatives, including, but not limited to EPA, DTSC and RWQCB employees, and federal and state contractors and consultants, to observe and monitor the progress of any activity undertaken pursuant to this Order. EPA's Project Coordinator and Alternate Project Coordinator shall have

the authority lawfully vested in a Remedial Project Manager (RPM) and an On-Scene Coordinator (OSC) by the National Contingency Plan, 40 C.F.R. Part 300. In addition, EPA's Project Coordinator or Alternate Project Coordinator shall have authority, consistent with the National Contingency Plan, to halt any Work required by this Order and to take any necessary response action when s/he determines that conditions at the Site constitute an emergency situation or may present an immediate threat to public health or welfare or the environment due to release or threatened release of Waste Material. EPA's Project Coordinator, DTSC's Project Coordinator, RWQCB's Project Coordinator and the Respondents' Project Coordinators will meet, at a minimum, on a monthly basis.

#### ***XVI. Assurance of Ability to Complete Work***

52. EPA, DTSC and RWQCB hereby acknowledge that the funds provided by the Navy pursuant to the ETCA and the Environmental Insurance Policies procured pursuant to the ETCA provide sufficient Financial Assurance of the Respondents' ability to complete the Work.

#### ***XVII. Certification of Completion***

53. *Certification and Interim Certification of Completion of the Remedial Action.* With respect to each ROD Implementation Area, the following procedures and requirements shall apply:

a. Within 90 days after Respondents conclude that the Remedial Action for a ROD Implementation Area has been either: (1) fully performed, including recordation of a modification to the LUC(s), if required by EPA, and initial implementation of any other institutional controls called for in the ROD, and the Remedial Action Objectives have been attained, or (2), for remedies involving long-term operation of a groundwater or soil vapor remediation system, the system is constructed, in place, and is operating properly and successfully but the Remedial Action Objectives have not been attained, Respondents shall schedule and conduct a pre-certification inspection to be attended by Respondents, EPA, DTSC, RWQCB and the Supervising Contractor(s). If, after the pre-certification inspection, Respondents still believe that the Remedial Action has been fully performed and the Remedial Action Objectives have been attained or for remedies involving long-term operation of a groundwater or soil vapor remediation system, the system is constructed, in place and is operating properly and successfully but the Remedial Action Objectives have not been attained,, Respondents shall, as applicable, submit to EPA for approval a RACR requesting Certification of Completion of Remedial Action or an I-RACR, requesting Interim Certification of Completion of Remedial Action, with a copy to the DTSC and RWQCB, pursuant to Section XIV (EPA Approval of Plans and Other Submissions) within 30 days of the inspection. In the report, a professional engineer registered in the State and Respondents' Project Coordinator shall state that the Remedial Action for the ROD

Implementation Area has been completed in full satisfaction of the requirements of this Order. The RACR or I-RACR shall include as-built drawings signed and stamped by a professional engineer. The report shall contain the following statement, signed by a responsible official of Respondents or the Respondents' Project Coordinator:

—To the best of my knowledge, after thorough investigation, I certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

b. If, after completion of the pre-certification inspection and receipt and review of the written report, EPA, after consultation with DTSC and RWQCB, determines, in the case of a RACR that the Remedial Action for the ROD Implementation Area or any portion thereof has not been completed in accordance with this Order or that the Remedial Action Objectives have not been achieved, or in the case of an I-RACR, that the groundwater or soil vapor remediation system has not been constructed, or is not in place or is not operating properly and successfully, EPA will notify Respondents in writing of the activities that must be undertaken by Respondents pursuant to this Order to fulfill the requirements for obtaining a Certification of Completion of Remedial Action or Interim Certification of Completion of Remedial Action, as applicable; provided however, that EPA may only require Respondents to perform such activities pursuant to this Paragraph to the extent that such activities are consistent with the scope of the remedy selected in the ROD. EPA will set forth in the notice a schedule for performance of such activities consistent with the Order and the SOW or require the Respondents to submit a schedule to EPA, DTSC and RWQCB for approval pursuant to Section XIV (EPA Approval of Plans and Other Submissions). Respondents shall perform all activities described in the notice in accordance with the specifications and schedules established pursuant to this Paragraph, subject to Respondents' right to invoke the dispute resolution procedures set forth in Section XXIII (Dispute Resolution).

If EPA concludes, based on the initial or any subsequent RACR or I-RACR requesting Certification of Completion of Remedial Action or Interim Certification of Completion of Remedial Action and after consultation with DTSC and RWQCB, that in the case of a RACR the Remedial Action has been performed in accordance with this Order and that the Remedial Action Objectives have been achieved, or in the case of an I-RACR, that the system is constructed, in place and is operating properly and successfully but the Remedial Action Objectives have not been attained, EPA will so certify in writing to Respondents. This certification shall constitute, as applicable, a Certification of Completion of Remedial Action or, for remedies for which an I-RACR has been submitted, Certification of Completion of a ROD Implementation Area for purposes of this Order. Receipt of a Certification or Interim Certification under this Paragraph 53 of Completion of the Remedial Action shall not affect Respondent's obligations under this Order to perform required actions other than those necessary to obtain the Certification.

d. -After EPA has issued a Certification of Completion of Remedial Action for each ROD Implementation Area within the Site, EPA shall certify in writing to Respondents that the Remedial Action for the entire Site has been performed in

accordance with this Order and that the Remedial Action Objectives have been achieved for the entire Site. This certification shall constitute a Certification of Completion of Remedial Action for the Site. ~~NOTE: We did not see a need for a Site-wide equivalent of an Interim Certification, so we did not include it in this paragraph d.)~~

54. NPL Deletion.

After EPA has issued a Certification of Completion of Remedial Action for all of ROD Implementation Areas comprising Parcel G and/or for all of the ROD Implementation Areas comprising the portion of Parcel B within the Site, EPA will consider a request to initiate the regulatory proceedings necessary to effectuate a Partial Deletion from the National Priorities List of Parcel G and/or the portion of Parcel B within the Site from the Hunters Point Naval Shipyard Superfund Site.

55. Completion of the Work.

a. Within 90 days after Respondents conclude that all phases of the Work (including O & M for all Remedial Actions), have been fully performed for a ROD Implementation Area, Respondents shall schedule and conduct a pre-certification inspection to be attended by Respondents, EPA, DTSC and RWQCB. If, after the pre-certification inspection, the Respondents still believes that the Work has been fully performed for that ROD Implementation Area, Respondents shall submit a written report by a professional engineer registered in the State stating that the Work has been completed in full satisfaction of the requirements of this Order. The report shall contain the following statement, signed by a responsible corporate official of a Respondents or the Respondents' Project Coordinator:

To the best of my knowledge, after thorough investigation, I certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

b. If, after review of the written report, EPA, after consultation with DTSC and RWQCB, determines that any portion of the Work has not been completed for the ROD Implementation Area in accordance with this Order, EPA will notify Respondents in writing of the activities that must be undertaken by Respondents pursuant to this Order to complete the Work, provided, however, that EPA may only require Respondents to perform such activities pursuant to this Paragraph to the extent that such activities are consistent with the scope of the remedy selected in the ROD. EPA will set forth in the notice a schedule for performance of such activities consistent with the Order and the SOW or require the Respondents to submit a schedule to EPA for approval

pursuant to Section XIV (EPA Approval of Plans and Other Submissions). Respondents shall perform all activities described in the notice in accordance with the specifications and schedules established therein, subject to Respondents' right to invoke the dispute resolution procedures set forth in Section XXIII (Dispute Resolution).

c. If EPA concludes, based on the initial or any subsequent request for Certification of Completion of the Work for the ROD Implementation Area by Respondents, and after consultation with DTSC and RWQCB, that the Work in that ROD Implementation Area has been performed in accordance with this Order, EPA will so notify the Respondents in writing. That written notification shall constitute the Certificate of Completion of the Work for the ROD Implementation Area.

d. -After EPA has issued a Certification of Completion of the Work for each ROD Implementation Area within the Site, EPA shall certify in writing to Respondents that the Work for the entire Site has been performed in accordance with this Order. This certification shall constitute a Certification of Completion of the Work for the Site.

#### **XVIII. EMERGENCY RESPONSE**

56. In the event of any action or occurrence during the performance of the Work which causes or threatens a release of hazardous substances at the Site that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, the Respondent that owns the property where the release has been caused or threatened shall, subject to Paragraph 57, immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, and shall immediately notify EPA's, DTSC's and RWQCB's Project Coordinators. If EPA's Project Coordinator is unavailable, EPA's Alternate Project Coordinator must be notified. If neither of these EPA persons is available, that Respondent shall notify the EPA Emergency Response Unit, Region 9. That Respondent shall take such actions in consultation with EPA's Project Coordinator or other available authorized EPA officer and in accordance with all applicable provisions of **the Pre RMPs**, the Contingency Plans, and any other applicable plans or documents developed pursuant to the SOW. In the event that the Respondents fail to take appropriate response action as required by this Section and EPA takes such action instead, Respondents shall reimburse EPA for all costs of the response action not inconsistent with the NCP, pursuant to Section XIX (Payments for Response Costs).

57. Nothing in the preceding Paragraph or in this Order shall be deemed to limit any authority of the United States or the State, including DTSC and RWQCB, to a) take all appropriate action to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of hazardous substances on, at, or from the Site, or b) direct or order such action, or seek an order from a Court, to protect human health and the environment or to prevent, abate,



respond to, or minimize an actual or threatened release of Waste Material on, at, or from the Site.

**XIX. PAYMENTS FOR EPA FUTURE RESPONSE COSTS**

~~{Bob Carr indicated willingness to revise this model language, contingent on retaining advance payment requirement}~~

58. The amounts to be paid by Respondents pursuant to Paragraph 59 shall be deposited in the HPS Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

**59. Payments for EPA Future Response Costs.**

a. Respondents shall pay to EPA all EPA Future Response Costs not inconsistent with the National Contingency Plan. Except as provided in Paragraph 59.c below, EPA will send Respondents, on a periodic basis, a bill requiring payment that includes a standard Regionally-prepared cost summary, which includes direct and indirect costs incurred by EPA and its contractors. Respondents shall make all payments within 30 days of Respondents' receipt of each bill requiring payment, except as otherwise provided in Paragraph 60. Respondents shall make all payments required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the party making the payment, and EPA Site/Spill ID Number #XXXXXX. Respondents shall send the check(s) to:

U.S. Environmental Protection Agency  
Attn: Region 9 Receivables  
P.O. Box 371099M  
Pittsburgh, PA 15251

b. At the time of payment under Paragraph 59.a or 59.c, Respondents shall send notice that payment has been made to EPA and to the Regional Financial Management Officer, in accordance with Section XXXV (Notices and Submissions).

c. Within 30 days of the Effective Date, Respondents shall pay to EPA \$ [to be determined] in prepayment of anticipated EPA Future Response Costs. The total amount paid shall be deposited by EPA in the HPS Special Account, within the EPA Hazardous Substance Superfund. These funds shall be retained and used by EPA to conduct or finance future response actions. Respondents shall make the payment required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the party making the payment, and EPA Site/Spill ID Number #XXXX. Respondents shall send the check(s) to:



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U.S. Environmental Protection Agency  
Attn: Region 9 Receivables  
P.O. Box 371099M  
Pittsburgh, PA 15251

In the event that the payments required by this subparagraph are not made within 60 days of the Effective Date, Respondents shall pay Interest on the unpaid balance. The Interest on EPA Future Response Costs shall begin to accrue on the thirtieth day following the Effective Date. The Interest shall accrue through the date of the Respondents' payment.

d. After EPA issues its written Certification of Completion of Work and EPA has performed a final accounting of EPA Future Response Costs, EPA shall offset the final bill for EPA Future Response Costs by any unused amount paid by the Respondents pursuant to Paragraph 59.a or Paragraph 59.c. Any amount in excess of amounts due to EPA shall be returned to Respondents.

60. Respondents may contest payment of any EPA Future Response Costs under Paragraph 59 if Respondents determines that EPA has made an accounting error or if Respondents alleges that a cost item that is included represents costs that are inconsistent with the NCP or if the cost is outside the definition of EPA Future Response Costs. Such objection shall be made in writing within 30 days of receipt of the bill and must be sent to EPA pursuant to Section XXXV (Notices and Submissions). Any such objection shall specifically identify the contested EPA Future Response Costs and the basis for objection. In the event of an objection, the Respondents shall within the 30-day period pay all uncontested EPA Future Response Costs to EPA in the manner described in Paragraph 59. Simultaneously, the Respondents shall establish an interest-bearing escrow account in a federally-insured bank duly chartered in the State and remit to that escrow account funds equivalent to the amount of the contested EPA Future Response Costs. The Respondents shall send to EPA, as provided in Section XXXV (Notices and Submissions), a copy of the transmittal letter and check paying the uncontested EPA Future Response Costs, and a copy of the correspondence that establishes and funds the escrow account, including, but not limited to, information containing the identity of the bank and bank account under which the escrow account is established as well as a bank statement showing the initial balance of the escrow account. Simultaneously with establishment of the escrow account, the Respondents shall initiate the Dispute Resolution procedures in Section XXIII (Dispute Resolution). If EPA prevails in the dispute, within 5 days of the resolution of the dispute, the Respondents shall pay the sums due (with accrued interest) to EPA in the manner described in Paragraph 59. If Respondents prevail concerning any aspect of the contested costs, the Respondents shall pay that portion of the costs (plus associated accrued interest) for which Respondents did not prevail to the United States in the manner described in Paragraph 59; Respondents shall be disbursed any balance of the escrow account. The dispute resolution procedures set forth in this Paragraph in conjunction with the procedures set forth in Section XXIII (Dispute Resolution) shall be the exclusive mechanisms for resolving disputes regarding the Respondents' obligation to reimburse EPA for its EPA Future Response Costs.

61. In the event that the payments required by Paragraph 59.a. are not made within 30 days of the Respondents' receipt of the bill, Respondents shall pay Interest on the unpaid balance. The Interest on EPA Future Response Costs shall begin to accrue on the date of the bill.

62. Payment of DTSC Future Response Costs.

a. As of the Effective Date of this Order, Respondents shall pay all of DTSC's Future Response Costs related to the Work performed under this Order. DTSC will bill Respondents quarterly for its response costs. Respondents shall pay DTSC within sixty (60) days of date of invoice. Any billing not paid within sixty (60) days is subject to State Interest calculated from the date of the invoice pursuant to California Health and Safety Code section 25360.1. All payments made by Respondents pursuant to this Order shall be by cashier's or certified check made payable to "DTSC," and shall bear on the face the project code of the Site (Site \_\_\_\_ ) and the Docket number of this Order. Payments shall be sent to:

Department of Toxic Substances Control  
Accounting/Cashier  
1001 I Street, 21<sup>st</sup> Floor  
P.O. Box 806  
Sacramento, California 95812-0806

A photocopy of all payment checks shall also be sent to the person designated by DTSC to receive submittals under this Order.

b. If Respondents disputes a DTSC billing, or any part thereof, Respondents shall notify DTSC's assigned project manager and attempt to informally resolve the dispute with DTSC's project manager and branch chief. If Respondents desires to formally request dispute resolution with regard to the billing, Respondents shall file a request for dispute resolution in writing within 45 days of the date of the billing in dispute. The written request shall describe all issues in dispute and shall set forth the reasons for the dispute, both factual and legal. If the dispute pertains only to a portion of the costs included in the invoice, Respondents shall pay all costs which are undisputed in accordance with Subparagraph 62.a. The filing of a notice of dispute pursuant to this Paragraph shall not stay the accrual of DTSC interest on any unpaid costs pending resolution of the dispute. The written request shall be sent to:

Special Assistant for Cost Recovery and Reimbursement Policy  
Department of Toxic Substances Control  
P.O. Box 806  
Sacramento, CA 95812-0806

A copy of the written request for dispute resolution shall also be sent to the person designated by DTSC to receive submittals under this Order. A decision on the billing dispute will be rendered by the Special Assistant for Cost Recovery and Reimbursement Policy or other DTSC designee.

63. Payment of RWQCB Future Response Costs

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a. As of the Effective Date of this Order, the Respondents are liable for all of the RWQCB's costs related to the Work performed under this Order in responding to the hazardous materials at the Site. Cost recovery may be pursued by the RWQCB under CERCLA, California Health and Safety Code Sections 25187.2 and 25360, California Water Code Sections 13304 and 13365, or any other applicable state or federal statute or common law. The RWQCB will bill the Respondents quarterly for oversight activities performed by the RWQCB hereunder. The Respondents shall pay the RWQCB within sixty (60) days of receipt of the RWQCB's billing. Any billing not paid within sixty (60) days is subject to State Interest calculated from the date of the billing pursuant to California Health and Safety Code section 25360.1. All payments made by the Respondents pursuant to this Order shall be by cashier's check or certified check made payable to the RWQCB and shall bear on the face the project code of the Site. Payments to the RWQCB shall be sent to:

State Water Resources Control Board  
SLIC Program  
P.O. Box 944212  
Sacramento, CA 94244-2120

A photocopy of all payment checks shall also be sent to the person designated by the RWQCB to receive submittals under this Order.

b. If Respondents disputes a RWQCB billing, or any part thereof, Respondents shall notify the RWQCB's assigned project manager and attempt to informally resolve the dispute with the RWQCB's project manager and immediate supervisor. If Respondents desires to formally request dispute resolution with regard to the billing, Respondents shall file a request for dispute resolution in writing within 45 days of the date of the billing in dispute. The written request shall describe all issues in dispute and shall set forth the reasons for the dispute, both factual and legal. If the dispute pertains only to a portion of the costs included in the invoice, Respondents shall pay all costs which are undisputed in accordance with Subparagraph 63.a. The filing of a notice of dispute pursuant to this Paragraph shall not stay the accrual of RWQCB interest on any unpaid costs pending resolution of the dispute. The written request shall be sent to:

RWQCB Address/POC

A copy of the written request for dispute resolution shall also be sent to the person designated by the RWQCB to receive submittals under this Order. A decision on the billing dispute will be rendered by Mr. Landau, or his designee.

## **XX. INDEMNIFICATION AND INSURANCE**

64. Respondents' Indemnification of the United States and State.

a. The United States does not assume any liability by entering into this agreement. Respondents shall indemnify, save and hold harmless the United States and the State and their officials, agents, employees, contractors, subcontractors, or representatives for or from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Respondents, their officers, directors, employees, agents, contractors, subcontractors, and any persons acting on its behalf or under its control, in carrying out activities pursuant to this Order. Further, the Respondents agree to pay the United States and the State all costs they incur including, but not limited to, attorneys fees and other expenses of litigation and settlement arising from, or on account of, claims made against the United States or the State based on negligent or other wrongful acts or omissions of Respondents, their officers, directors, employees, agents, contractors, subcontractors, and any persons acting on their behalf or under their control, in carrying out activities pursuant to this Order. Neither the United States nor the State shall be held out as a party to any contract entered into by or on behalf of Respondents in carrying out activities pursuant to this Order. Neither the Respondents nor any such contractor shall be considered an agent of the United States or the State.

b. The United States and the State shall give Respondents notice of any claim for which the United States or the State plans to seek indemnification pursuant to Paragraph 64.a. and shall consult with Respondents prior to settling such claim.

c. Nothing in this Paragraph 64 or Paragraph 65 shall be construed to waive or in any way limit any rights Respondents may have against the United States as a result of acts or omissions for which the United States Navy is responsible, including but not limited to rights under CERCLA or Section 330 of the FY 1992 National Defense Authorization Act, as amended or under the Conveyance Agreement for Hunters Point Shipyard between the United States Navy and SFRA on \_\_\_\_\_, or under any deed to be executed by the Navy for any portion of the Site.

65. Respondents waives all claims against the United States and the State, including DTSC and RWQCB, for damages or reimbursement or for set-off of any payments made or to be made to the United States or DTSC and RWQCB arising from or on account of any contract, agreement, or arrangement between Respondents and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays. In addition, Respondents shall indemnify and hold harmless the United States and the State, including DTSC and RWQCB, with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between Respondents and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays, provided, however, that nothing herein shall limit Respondents' right to claim that any delays caused by the United States and/or State, including the DTSC and RWQCB, constitute a force majeure event under this Agreement.

66. No later than 15 days before commencing any on-site Work, Respondents shall secure, and shall maintain until the first anniversary of EPA's last Certification of

Completion of the Remedial Action applicable to the Site pursuant to Section XVII (Certification of Completion), comprehensive general liability insurance with limits of five (5) million dollars, combined single limit, and automobile liability insurance with limits of one (1) million dollars, combined single limit, naming the United States, DTSC, and RWQCB as additional insureds. In addition, for the duration of this Order, Respondents shall satisfy, or shall ensure that their contractors or subcontractors satisfy, all applicable laws and regulations regarding the provision of worker's compensation insurance for all persons performing the Work on behalf of Respondents in furtherance of this Order. Prior to commencement of the Work under this Order, Respondents shall provide to EPA, DTSC and RWQCB certificates of such insurance and a copy of each insurance policy. Respondents shall resubmit such certificates and copies of policies each year on the anniversary of the Effective Date. If Respondents demonstrates by evidence satisfactory to EPA, DTSC and RWQCB that any contractor or subcontractor maintains insurance equivalent to that described above, or insurance covering the same risks but in a lesser amount, then, with respect to that contractor or subcontractor, Respondents need provide only that portion of the insurance described above which is not maintained by the contractor or subcontractor.

#### **XXI. FORCE MAJEURE**

67. "Force majeure " for purposes of this Order, is defined as any event arising from causes beyond the control of the Respondents, of any entity controlled by Respondents, or of Respondents' contractors, that delays or prevents the performance of any obligation under this Order despite Respondent's best efforts to fulfill the obligation. Without limitation, a court-ordered injunction or stop work order related to any Work required by this Order is considered to be a force majeure event. In addition, Respondents's inability to perform Work required under this Order due to the Navy's failure or delay in addressing a Navy Retained Condition, or any **other breach** of the ETCA by the Navy, shall be considered a force majeure event. The requirement that the Respondents exercise best efforts to fulfill the obligation includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any potential force majeure event (1) as it is occurring and (2) following the potential force majeure event, such that the delay is minimized to the greatest extent possible. "Force Majeure" does not include a failure to attain the Remedial Action Objectives or financial inability to complete the Work, except to the extent that a failure by the Navy to fund all or a portion of the ETCA delays or prevents performance of obligations under this Order that are funded by the ETCA. Except as otherwise provided in this Paragraph 67, "Force Majeure" shall not, except as set forth above, include any delays caused by any disputes between the Navy and/or Respondents or any successors in title to the Site. Any delays caused by disagreements between or among EPA, DTSC and/or RWQCB **and/or the Navy**, or any other regulatory agency with jurisdiction over any matter herein, shall be considered out of Respondents' control, shall be considered a force majeure event, and Respondents shall have no obligation under this Order to mitigate the effects of such force majeure event.

68. If any event occurs or has occurred that may delay the performance of any obligation under this Order, whether or not caused by a force majeure event, the Respondents shall notify orally EPA's Project Coordinator, DTSC's Project Coordinator and RWQCB's Project Coordinator or, in his or her absence, their Alternate Project Coordinators or, in the event both of EPA's designated representatives are unavailable, the Director of the Superfund Division, EPA Region 9, within 48 hours of when Respondents first knew that the event might cause a delay. Within 14 days thereafter, Respondents shall provide in writing to EPA, DTSC and RWQCB an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; the Respondents's rationale for attributing such delay to a force majeure event if Respondents intend to assert such a claim; and a statement as to whether, in the opinion of the Respondents, such event may cause or contribute to an endangerment to public health, welfare or the environment. The Respondents shall include with any notice all available documentation supporting Respondents' claim that the delay was attributable to a force majeure event. Failure to comply with the above requirements shall preclude Respondents from asserting any claim of force majeure for that event for the period of time of such failure to comply, and for any additional delay caused by such failure. Respondent shall be deemed to know of any circumstance of which Respondent, any entity controlled by Respondent, or Respondent's contractors knew or should have known.

69. If EPA, after consultation with DTSC and RWQCB, agrees that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Order that are affected by the force majeure event will be extended by EPA, after consultation with DTSC and RWQCB, for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. If EPA, after consultation with DTSC and RWQCB, does not agree that the delay or anticipated delay has been or will be caused by a force majeure event, EPA will notify the Respondents in writing of its decision. If EPA, after consultation with DTSC and RWQCB, agrees that the delay is attributable to a force majeure event, EPA will notify the Respondents in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

70. If the Respondents elect to invoke the dispute resolution procedures set forth in Section XXIII (Dispute Resolution), Respondents shall do so no later than 15 days after receipt of EPA's notice. In any such proceeding, Respondents shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been or will be caused by a force majeure event, that the duration of the delay or the extension sought was or will be warranted under the circumstances, that best efforts were exercised to avoid and mitigate the effects of the delay, and that Respondents complied with the requirements of Paragraphs 67 and 68, above. If Respondents carry

this burden, the delay at issue shall be deemed not to be a violation by Respondents of the affected obligation of this Order identified to EPA.

## **XXII. EPA, DTSC AND RWQCB DISPUTE PROCESS**

71. If disagreements or disputes arise during the consultation process between EPA, DTSC and RWQCB under this Order, EPA, DTSC and RWQCB agree to use the process outlined in this Paragraph to resolve such disputes. EPA, DTSC and RWQCB shall, whenever possible, make decisions by consensus at the Project Coordinator level. In the event a consensus decision cannot be reached by the EPA, DTSC and RWQCB Project Coordinators concerning the approval of a document or deliverable required by this Order, a meeting or telephone conference shall be scheduled and held within five (5) days of DTSC and/or RWQCB raising the dispute among EPA, DTSC and RWQCB Project Coordinators and their immediate supervisors to reach a consensus decision. If consensus cannot be reached by the immediate supervisors, the dispute shall be immediately elevated to the EPA Region 9 Assistant Director of the Federal Facility and Site Cleanup Branch, the DTSC Supervising Hazardous Substances Engineer II, ~~xxxxx~~ Office, Brownfields and Environmental Restoration Program, and the RWQCB Section Chief, Site Cleanup Section, who shall meet or confer by telephone within ten (10) days of the meeting or telephone conference discussed above in an attempt to resolve the dispute through consensus. If no consensus can be reached, the dispute shall be immediately elevated to the EPA Region 9 Director of the Superfund Division, the DTSC Deputy Director for Site Mitigation and Brownfields Reuse, and the RWQCB Executive Officer, who shall meet or confer by telephone within ten (10) days of the meeting or telephone conference discussed in the previous sentence in an attempt to resolve the dispute through consensus. If no consensus can be reached, the decision applicable to Respondents shall be the final decision made by the EPA Region 9 Director of the Superfund Division. By agreeing to this decision making process, DTSC and RWQCB do not waive any right or claim each agency may have for relief, and reserve any authority they may have under federal or state law to require Waste Material cleanups compliant with such law.

## **XXIII. DISPUTE RESOLUTION**

72. The dispute resolution procedures of this Section shall be utilized to resolve disputes between Respondents and EPA ~~[Note: Since disputes about DTSC and RWQCB response costs are not covered under this paragraph, there are not any other decisions of DTSC or RWQCB that Respondent could dispute; all decisions under the Order are by EPA, after consultation with DTSC or RWQCB]~~ arising under or with respect to this Order. Prior to the exercise of any other rights or remedies Respondents may have under applicable law to object to or challenge a decision of any other Party to this order. However, the procedures set forth in this Section shall not apply to actions by



EPA to enforce obligations of the Respondents that have not been disputed in accordance with this Section.

73. Any dispute which arises under or with respect to an EPA decision under this Order shall in the first instance be the subject of informal negotiations between the parties to the dispute. The period for informal negotiations shall not exceed 20 days from the time the dispute arises, unless it is modified by written agreement of the parties to the dispute. The dispute shall be considered to have arisen when Respondents sends the other Parties a written Notice of Dispute.

74. Statements of Position. In the event that the Parties cannot resolve a dispute by informal negotiations under the preceding Paragraph, then the position advanced by EPA, except on disputes regarding DTSC or RWQCB Future Response Costs reimbursement, shall be final unless within 14 days after the conclusion of the informal negotiation period, Respondents invokes the formal dispute resolution procedures of this Section by serving on EPA, with copies concurrently provided to DTSC and RWQCB, a written Statement of Position on the matter in dispute, including, but not limited to, any factual data, analysis or opinion supporting that position and any position and any supporting documentation relied upon by the Respondents.

75. Within 21 days after receipt of Respondents's Statement of Position, EPA will serve on all other parties its Statement of Position, including, but not limited to, any factual data, analysis, or opinion supporting that position and all supporting documentation relied upon by EPA. Within 7 working days after receipt of EPA's Statement of Position, Respondents may submit a Reply. DTSC and RWQCB may also file a Statement of Position for EPA's consideration on the disputed matter no later than 7 days from receipt of EPA's Statement of Position.

76. Following receipt of all statements to be submitted pursuant to Paragraphs ~~7484~~ and ~~7585~~, the Director of the Superfund Division, EPA Region 9 will issue a final decision resolving the dispute. The Superfund Division Director's decision shall be final. The invocation of formal dispute resolution procedures under this section shall not restrict Respondents rights and remedies available under applicable law.

77. The invocation of formal dispute resolution procedures under this Section shall not extend, postpone or affect in any way any obligation of the Respondents under this Order, not directly in dispute, unless EPA, after consultation with DTSC and RWQCB, agrees otherwise. . In the event that the Respondents do not prevail on the disputed issue, stipulated penalties may be assessed and shall be paid as provided in Section XXIV (Stipulated Penalties), except any stipulated penalties accruing during a dispute resolution period that are waived by EPA pursuant to Paragraph 83 below ~~below~~. If respondents prevail on the dispute issue, the stipulated penalties shall be discharged.

#### **XXIV. STIPULATED PENALTIES**



78. A Respondent shall be liable for stipulated penalties in the amounts set forth in Subparagraphs 78.a. and b. to EPA, DTSC, and RWQCB, with 50% of such penalties to be paid to EPA and 50% to DTSC and RWQCB, for failure to comply with the requirements of this Order specified below, unless excused under Section XXI (Force Majeure). Payment of stipulated penalties to DTSC and RWQCB shall be split evenly, unless otherwise directed in the demand letter set forth in Paragraph 81. "Compliance" by a Respondent shall include completion of the activities required to be completed by that Respondent under this Order or any work plan or other plan approved under this Order identified below in accordance with all applicable requirements of law, this Order, the SOW, and any plans or other documents approved by EPA pursuant to this Order and within the specified time schedules established by and approved under this Order. Except with respect to an emergency or other situation described in Section 56- above, a Respondent shall not be liable for the stipulated penalties set forth in this Section as a result of the failure of the other Respondent to comply with the Order.

a. Stipulated Penalty Amounts – Work, including Payment of Future Response Costs.

The following stipulated penalties shall accrue per violation per day for any noncompliance identified in Subparagraph (i):

**Amounts are City's proposal Need to discuss further**

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$500	1st through 30th day
\$1,500	30th through 45th day
\$15,000	45th day and beyond

i. Compliance Milestones. The following shall constitute general categories of "compliance milestones" subject to stipulated penalties under Paragraph 78.a. Specific documents within Paragraph 78.a (1) – (6) shall be subject to the stipulated penalties set forth above to the extent such documents have been designated "critical path" documents by Respondents in each Monthly Progress Report and subject to reasonable approval by EPA.

- 1) **Remedial Design Document**
- 2) Remedial Action Workplan
- 3) **Institutional Controls Implementation Plan**
- 4) Operations and Maintenance Plan
- 5) Remedial Action Completion Report
- 6) Work Status Report
- 7) Late Payment of EPA, DTSC, or RWQCB Future Response Costs

- 8) Failure to comply with any use restrictions selected in the RODs
- 9) Failure to provide access pursuant to Paragraph 35
- b. Stipulated Penalty Amounts - Reports.

The following stipulated penalties shall accrue per violation per day for failure to submit timely or adequate reports or other written documents not within the scope of Subparagraph 78.a. (1) above, and any other violation of this Order:

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$250	1st through 30th day
\$1,000	30th through 45th day
\$10,000	45th day and beyond

79. All penalties shall begin to accrue on the day [after EPA has given Respondents written notice of noncompliance pursuant to Paragraph 80] performance is due or the day a violation occurs, and shall continue to accrue through the final day of the correction of the noncompliance, or completion of the activity. However, stipulated penalties shall not accrue: (1) with respect to a deficient submission under Section XIV (EPA Approval of Plans and Other Submissions), during the period, if any, beginning on the 31st day after EPA's receipt of such submission until the date that EPA notifies Respondent of any deficiency except as set forth in Paragraph 48; (2) with respect to a decision by the Director of the Superfund Division, EPA Region 9, under Paragraph 76 of Section XXIII (Dispute Resolution), during the period, if any, beginning on the 21st day after the date that Respondents' reply to EPA's Statement of Position is received until the date that the Director issues a final decision regarding such dispute.— Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Order.

80. Following EPA's determination that Respondents have failed to comply with a requirement of this Order, EPA shall give Respondents written notification of the same and describe the noncompliance. After this notification and a 30 day period in which Respondents can cure the noncompliance EPA may send the Respondents a written demand for the payment of the penalties. EPA is willing to allow an opportunity to cure for certain failures but not all.

81. All penalties accruing under this Section shall be due and payable within 30 days of the Respondents' receipt from EPA of a demand for payment of the penalties, unless Respondents invokes the Dispute Resolution procedures under Section XXIII (Dispute Resolution). All payments to EPA under this Section shall be paid by certified or cashier's check(s) made payable to "EPA Hazardous Substances Superfund," shall be mailed to U.S. Environmental Protection Agency, Attn: Region 9 Receivables, P.O. Box 37109M, Pittsburgh PA 15262-0001, shall indicate that the payment is for stipulated penalties, and shall reference the EPA Region and Site/Spill ID #0941. Copies of check(s) paid pursuant to this Section, and any accompanying transmittal letter(s), shall be sent to EPA, DTSC, and RWQCB as provided in Section

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XXXV (Notices and Submissions). All payments to DTSC and RWQCB under this Section shall be due and payable within 30 days of the Respondents' receipt from DTSC and the RWQCB of a demand for payment of the penalties, unless Respondents invokes the Dispute Resolution procedures under Section XXIII (Dispute Resolution). All payments to DTSC under this section shall be paid by cashier's or certified check made payable to "DTSC," and shall bear on the face the Docket number of this Order. Payments shall be sent to:

Department of Toxic Substances Control  
Accounting/Cashier  
1001 I Street, 21<sup>st</sup> Floor  
P.O. Box 806  
Sacramento, California 95812-0806

All payments to RWQCB under this section shall be paid by certified or cashier's check(s) made payable to the State Water Resources Control Board Cleanup and Abatement Account and shall bear on the face the Docket number of this Order. Payment shall be sent to **California Regional Water Quality Control Board, Central Valley Region, 11020 Sun Center Drive, #200, Rancho Cordova, CA 95670.** [Note: Correct region?]

82. The payment of penalties shall not alter in any way Respondents' obligation to complete the performance of the Work required under this Order.

83. Penalties shall continue to accrue as provided in Paragraph 89 during any dispute resolution period, [except that such penalties shall be waived if EPA, after consultation with DTSC and RWQCB, determines that Respondent's failure to comply resulted from a good faith belief that its actions or omissions were in compliance with this Order, and Respondent's failure to comply did not result in actual or threatened harm to human health or the environment.] Why would we include this language? Any such penalties not waived need not be paid until the following: If the dispute is resolved by agreement, or by a decision of EPA, accrued penalties determined to be owing shall be paid to EPA within 30 days of the agreement or the receipt of EPA's decision or order. If Respondents prevail on the disputed issue, the stipulated penalties shall be discharged;

84. If Respondents fail to pay stipulated penalties when due, EPA may institute proceedings to collect the penalties, as well as interest. Respondents shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 80.

85. Nothing in this Order shall be construed as prohibiting, altering, or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondents' violation of this Order or of the statutes and regulations upon which it is based, including, but not limited to, penalties pursuant to Section 122(l) of CERCLA, provided, however, that EPA shall not seek civil penalties pursuant to Section 122(l) of CERCLA for any violation for which a stipulated penalty is provided herein, except in the case of a willful violation of the Order.

86. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this Order.

#### **XXV. Covenant Not to Sue by EPA**

87. In consideration of the actions that will be performed and the payments that will be made by Respondents under the terms of this Order, and except as otherwise specifically provided in this Order, EPA covenants not to sue or to take administrative action against Respondents pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for Existing Contamination. This covenant not to sue shall take effect upon the Effective Date and is conditioned upon the continuing and ~~satisfactory~~ ~~saisfactory~~ performance by Respondents of all obligations under this Order, including, but not limited to, payment of Future Response Costs pursuant to Section XIX. This covenant not to sue is also conditioned upon the veracity of information provided to EPA by the Respondents in this Order. **Except as provided in paragraph 20, this This covenant not to sue extends only to Respondents and does not extend to any other person.**

#### **XXVI. RESERVATIONS OF RIGHTS BY EPA**

88. Except as specifically provided in this Order, nothing herein shall limit the power and authority of EPA to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing herein shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Order, from taking other legal or equitable action as it deems appropriate and necessary, or from requiring Respondents in the future to perform additional activities pursuant to CERCLA or any other applicable law.

89. The covenant not to sue set forth in Section XXV above does not pertain to any matters other than those expressly identified therein. EPA reserves, and this Order is without prejudice to, all rights against Respondents with respect to all other matters, including, but not limited to:

- a. claims based on a failure by Respondents to meet a requirement of this Order;
- b. liability based on Respondents' transportation, treatment, storage, or disposal, or the arrangement for the transportation, treatment, storage, or disposal of

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Waste Material at or in connection with the Site, other than as provided in a ROD, this Order, or otherwise ordered by EPA, after signature of this Order by the Respondents;

- c. criminal liability;
- d. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments arising from negligent acts or omissions of the Respondents or their contractors;
- e. liability arising from the past, present, or future disposal, release or threat of release of Waste Materials outside of the Site ~~NOTE: This implies the covenant does pertain to off-site Navy Retained Conditions, but it doesn't right?~~
- f. -liability for violations of federal or state law which occur during or after implementation of Removal or Remedial Actions; and
- g. liability for additional response actions that EPA determines are necessary to achieve Remedial Action Objectives.

#### **XXVII. DTSC AND RWQCB COVENANT NOT TO SUE**

90. In consideration of the actions that will be performed and the payments that will be made by Respondents under the terms of this Order, and except as otherwise specifically provided in this Order, DTSC and RWQCB covenant not to sue or to take administrative action against Respondents pursuant to Section 107(a) of CERCLA, 42 U.S.C. §9607(a), or Section 7003 of RCRA, 42 U.S.C. 6973 for Existing Contamination. This covenant not to sue shall take effect upon the Effective Date and is conditioned upon the continuing and satisfactory performance by Respondents of all obligations under this Order, including, but not limited to, payment of Future Response Costs pursuant to Section XIX. This covenant not to sue is also conditioned upon the veracity of information provided to DTSC and RWQCB by the Respondents in this Order. **Except as provided in paragraph 20, this** ~~This covenant not to sue extends only to Respondents and does not extend to any other person. [We need to discuss the public process/time required for 7003 CNTS].~~

#### **XXVIII. DTSC AND RWQCB RESERVATIONS OF RIGHTS**

91. The covenant not to sue by DTSC and RWQCB set forth in Section XXVII does not pertain to any matters other than those expressly identified therein. DTSC and RWQCB reserve, and this Order is without prejudice to, all rights against Respondents with respect to all other matters, including but not limited to:

- (a) claims based on a failure by Respondents to meet a requirement of this Order;

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(b) liability for costs incurred or to be incurred by the State that are not reimbursed by Respondents pursuant to this Order, except for Navy-Retained Conditions;

(c) liability for performance of response actions other than the Work approved under the Order performed by Respondents pursuant to this Order, except for Navy-Retained Conditions;

(d) criminal liability;

(e) liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

(f) liability arising from the past, present, or future disposal, release, or threat of release of Waste Materials outside of the Site unless such waste material constitute Navy-Retained Conditions; and

(g) liability for violations of local, state or federal law or regulations.

**BY RESPONDENTS**

92. Respondents covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, or the State, or its contractors and employees, with respect to Existing Contamination, Future Response Costs, or this Order, including, but not limited to:

a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claims against the United States, including any department, agency or instrumentality of the United States under CERCLA Sections 107 or 113 related to the Work required by this Order; or

c. any claim arising out of the Work or arising out of the response actions for which the Future Response Costs have or will be incurred, including any claim under the United States Constitution, the State Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law.

d. These covenants not to sue do not apply to any claim or cause of action Respondents may have against the United States as a result of acts or omissions for which the United States Navy is responsible, including but not limited to rights under CERCLA or Section 330 of the FY 1992 National Defense Authorization Act, as amended or under the Conveyance Agreement for Hunters Point Shipyard Shipyard between the United States Navy and SFRA on \_\_\_\_\_, or under any deed to be executed by the Navy for any portion of the Site.

93. These covenants not to sue shall not apply in the event the United States brings a cause of action or issues an order pursuant to the reservations set forth in

Paragraph 89 (b), (c), (d), and (f) - (g), but only to the extent that Respondents' claims arise from the same response action, response costs, or damages that the United States is seeking pursuant to the applicable reservation.

94. Nothing in this Order shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d)

### XXX. OTHER CLAIMS

95. By issuance of this Order, the United States, including EPA, the Navy and the State, including DTSC and RWQCB, assume no liability for injuries or damages to persons or Site resulting from any acts or omissions of Respondents.

96. This order shall not be construed to give rise to any right to ~~judicial~~<sup>judicial</sup> review, not otherwise provided by applicable law, of any action or decision by EPA pursuant to this Order, including selection of further response actions by EPA and the Navy

### XXXI. CONTRIBUTION

97. Nothing in this Agreement precludes the United States, the State, or Respondents from asserting any claims, causes of action, or demands for indemnification, contribution, or cost recovery against any person not a party to this Order, including any claim ~~Respondents may~~ have pursuant to Section 107(a)(4)(B). Nothing herein diminishes the right of the United States, pursuant to Sections 113(f)(2) and (3) of CERCLA, 42 U.S.C. § 9613(f)(2),(3), to pursue any such persons to obtain additional response costs or response actions and to enter into settlements that give rise to contribution protection pursuant to Section 113(f)(2).

98. In the event of a suit or claim for contribution brought against Respondents, notwithstanding the provisions of Section 107(r)(1) of CERCLA, 42 U.S.C. § 9607(r)(1), with respect to Existing Contamination (including any claim based on the contention that either Respondents is not a BFPP, or has lost its status as a BFPP as a result of actions taken in compliance with this Order or at the directions of EPA's RPM.<sup>EPAHQ</sup> ~~NOTE: We are not sure who added this and are not sure why it was added~~) the Parties agree that this Order shall then constitute an administrative settlement for purposes of Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), and that Respondents would be entitled, from the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Order. The "matters addressed" in this Order are all response actions taken or to be taken and all response costs incurred or to be incurred by the United States, DTSC, RWQCB or Respondents with respect to Existing Contamination.

99. In the event Respondents were found, in connection with any action or claim it may assert to recover costs incurred or to be incurred with respect to Existing Contamination, not to be a BFPP, or to have lost its status as a BFPP as a result of actions taken in compliance with this Order or at the directions of EPA's RPM. ~~NOTE: See above~~, the Parties agree that this Order shall then constitute an administrative settlement within the meaning of Section 113(f)(3)(B) of CERCLA, 42 U.S.C. § 9613(f)(3)(B), pursuant to which Respondents have resolved their liability for all response actions taken or to be taken and all response costs incurred or to be incurred by EPA, DTSC, RWQCB or by any other person with respect to Existing Contamination.

100. Respondents agree that with respect to any suit or claim brought by it for matters related to this Order they will notify EPA, DTSC, and RWQCB in writing no later than 60 days prior to the initiation of such suit or claim.

101. Respondents also agree that with respect to any suit or claim for contribution brought against it for matters related to this Order they will notify in writing EPA, DTSC, and RWQCB within 10 days of service of the complaint on it.

#### **XXXII. NONCOMPLIANCE, STOP WORK AND DEFAULT DETERMINATIONS**

102. Respondents shall perform and complete all necessary response actions at the Site (except for Navy-Retained Condition or activities outside of the Environmental Services Services) in accordance with the SOW, CERCLA, the NCP, ARARs not otherwise waived, and relevant guidance.

103. Notices of Noncompliance and Stop Work. Following EPA's determination, after consultation with DTSC and RWQCB, that Respondents have failed to comply with a requirement of this Order, EPA shall give Respondents written notification of the same, with a copy to the Navy, DTSC, and RWQCB and describe the noncompliance ("Notice of Noncompliance"). EPA shall also give Respondents written notification that Respondents should stop work on all or any portion of its response action activities at the Site until EPA determines that Respondents have remedied such noncompliance ("Notice to Stop Work"). Upon receipt of a Notice to Stop Work, Respondents shall immediately stop work on all or any portion of its response action activities at the Site as specified in such notice, and shall remedy the noncompliance. Respondents shall resume such response action activities only upon receipt of written notification from EPA, after consultation with DTSC and RWQCB, that Respondents may proceed with such activities as specified in the notification.

104. Finding of Default. EPA, after consultation with DTSC and RWQCB, may determine that a Default has occurred in one or more of the following situations: (i) EPA has issued to Respondents two or more Notices of Noncompliance for significant noncompliance, with or without accompanying Notices to Stop Work, pursuant to Paragraph 103; (ii) EPA determines that either Respondent is implementing the Work in a manner that may cause endangerment to human health or the environment; (iii) EPA



determines that either Respondent has effectively ceased to perform all or a portion of the Work for any reason, including lack of Navy funding through the ETCA, except for a Force Majeure event pursuant to Section XXI that results in only a temporary delay in performance; (iv) either Respondent misappropriates or misuses funds received under the ETCA; or (v) Respondents are ***substantially and consistently deficient or late in s*** their ***performance of the Work***. Prior to issuance of a Finding of Default, EPA shall provide Respondents in writing (with copies to the Navy, DTSC and RWQCB) with a Notice of Intent to Find Default and of the proposed basis for issuing a Finding of Default. Respondents may dispute the Notice of Intent to Find Default, in accordance with the process provided in Section XXIII (Dispute Resolution), and the Navy may participate in any such dispute resolution as provided in Section \_\_\_\_ of the Amended FFA. **(NOTE: Should the Navy be able to initiate dispute resolution not otherwise initiated by Respondents? EPA would say no, but see DR with respect to NRC).** In the event of an EPA determination that a Default has occurred, either without Respondents having invoked the Dispute Resolution process in Section XXIII, or following the conclusion of such Dispute Resolution process, EPA will send Respondents a written Finding of Default, with copies to the Navy, DTSC, and RWQCB. The Finding of Default will provide the basis for EPA's determination and will specify whether Respondents may continue to perform the Work while the Navy prepares to resume response action activities under the Amended FFA.

105. Within thirty (30) days of Respondents' receipt of the Finding of Default, or such other time period specified by EPA, Respondents shall cease performance of the Work.

106. In the event that the Navy resumes performance of response action activities under the Amended FFA, Respondents shall fully cooperate in the orderly transfer of responsibilities for performance of the Work to the Navy

### **XXXIII. ACCESS TO INFORMATION**

107. Respondents shall provide to EPA, DTSC and RWQCB upon request, copies of all documents and information within Respondents' possession or control or that of its contractors or agents relating to activities at the Site or to the implementation of this Order, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Work. Respondents shall also make available to EPA, DTSC and RWQCB for purposes of investigation, information gathering, or testimony, Respondents' employees, agents, or representatives with knowledge of relevant facts concerning the performance of the Work.

a. **Business Confidential and Privileged Documents.** Respondents may assert business confidentiality claims covering part or all of the documents or information submitted to EPA, DTSC and RWQCB under this Order to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. § 2.203(b). Documents or information determined to be

confidential by EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies documents or information when they are submitted to EPA, DTSC and RWQCB or if EPA has notified Respondents that the documents or information are not confidential under the standards of Section 104(e) (7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such documents or information without further notice to Respondents.

b. The Respondents may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Respondents asserts such a privilege in lieu of providing documents, Respondents shall provide EPA, DTSC and RWQCB with the following: (1) the title of the document, record, or information; (2) the date of the document, record, or information; (3) the name and title of the author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the contents of the document, record, or information; and (6) the privilege asserted by Respondents. However, no documents, reports or other information created or generated pursuant to the requirements of the Order shall be withheld on the grounds that they are privileged.

c. No claim of confidentiality shall be made with respect to any data, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

#### **XXXIV. RETENTION OF RECORDS**

108. Until 10 years after the Respondents' receipt of EPA's notification pursuant to Paragraph 55.c. of Section XVII (Certification of Completion of the Work), Respondents, or their successors, shall preserve and retain all non-identical copies of the last draft or final version of any documents or records (including documents or records in electronic form) now in its possession or control or which come into its possession or control that relate in any manner to the performance of the Work, provided, however, that Respondents (and its contractors and agents) must retain, in addition, copies of all data generated during the performance of the Work and not contained in the aforementioned documents required to be retained. Each of the above record retention requirements shall apply regardless of any corporate retention policy to the contrary. **EPA (?) NOTE: RESERVED FOR FURTHER MODIFICATIONS BY WHOM?**

109. At the conclusion of this document retention period, Respondents, or its successor, shall notify EPA, DTSC and RWQCB at least 90 days prior to the destruction of any such records or documents, and, upon request by EPA or DTSC, Respondents shall deliver any such records or documents to EPA, DTSC and RWQCB. Respondents may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Respondents assert such a privilege, Respondents shall provide EPA, DTSC and RWQCB with the following: (1) the title of the document, record, or information; (2) the date of the

document, record, or information; (3) the name and title of the author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the subject of the document, record, or information; and (6) the privilege asserted by Respondents. However, no documents, reports or other information created or generated pursuant to the requirements of the Order shall be withheld on the grounds that they are privileged.

**XXXV. NOTICES AND SUBMISSIONS**

110. Whenever under the terms of this Order, written notice is required to be given or a report or other document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. All notices and submissions shall be considered effective upon receipt, unless otherwise provided. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Order with respect to EPA, DTSC, RWQCB and the Respondents, respectively.

As to the EPA:

~~Keith Takata~~  
Director, Superfund Division  
United States Environmental Protection Agency  
Region 9  
75 Hawthorne St.  
San Francisco, CA 94105

and

EPA Project Coordinator, SFD-8-1  
United States Environmental Protection Agency  
Region 9  
75 Hawthorne St.  
San Francisco, CA 94105

As to the Regional Financial Management Officer:

Chief, Cost Accounting  
United States Environmental Protection Agency  
Region 9  
75 Hawthorne St.  
San Francisco, CA 94105

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As to the California Department of Toxic Substances Control:

**Anthony J. Landis, P.E.**

Chief  
Northern California Operations  
Office of Military Facilities  
Department of Toxic Substance Control  
8800 Cal Center Drive  
Sacramento, CA 95826

and

Project Manager  
Brownfields and Environmental Restoration Program  
Department of Toxic Substances Control

As to the San Francisco Bay Regional Water Quality Control Board:

Executive Officer  
California Regional Water Quality Control Board,  
San Francisco Bay Region

and

Project Manager  
California Regional Water Quality Control Board,  
San Francisco Bay Region

As to the Respondents:

#### **XXXVI. APPENDICES**

111. The following appendices are attached to and incorporated into this Order:

- A. Legal description of the Site
- B. Map of the Site
- C. Statement of Work

**D. ROD Implementation Areas**

~~D. IR Sites (?)~~

- E. Land and Water Use Restrictions (NOTE: What is intended by the – the LUCs? The RMPs?)

#### **XXXVII. COMMUNITY RELATIONS**

112. Respondents shall prepare and submit for review and approval by EPA, in consultation with DTSC and RWQCB, a Community Relations Plan, as defined in the SOW. EPA, after consultation with DTSC and RWQCB, will determine the appropriate role for the Respondents under the Plan. Respondents shall also cooperate with EPA, DTSC, and RWQCB in providing information regarding the Work under this Order to the public. As requested by EPA, Respondents shall participate in the preparation of such information for dissemination to the public and in public meetings which may be held or sponsored by EPA to explain activities at or relating to the Site or the Work being conducted under this Order.

#### **XXXVIII. MODIFICATIONS**

113. EPA, after consultation with DTSC and RWQCB, may determine that in addition to tasks defined in the SOW, or initial approved work plans, other additional work may be necessary to accomplish the Remedial Action Objectives. To the extent that such additional work is within the scope of the the RODs and does not otherwise constitute an amendment, modification or supplement to the RODs, EPA, after consultation with DTSC and RWQCB, may request in writing that Respondents perform these response actions and Respondents shall confirm its willingness to perform the additional work, in writing, to EPA, DTSC, and RWQCB within 14 days of receipt of EPA's request, or Respondents may invoke dispute resolution in accordance with Section XXIII. Subject to EPA resolution of any dispute, Respondents shall implement the additional tasks which EPA, after consultation with DTSC and RWQCB, determines are necessary. Any other requirements of this Order may be modified in writing by mutual agreement of the parties.

114. If Respondents seeks permission to deviate from any approved work plan or schedule or the SOW, except as otherwise provided for by field modifications to Remedial Action Work Plan, ~~Respondents', Respondents's~~ Project Coordinator shall submit a written request to EPA, DTSC and RWQCB for approval outlining the proposed modification and its basis. Respondents may not proceed with the requested deviation until receiving written approval from the EPA Project Coordinator, after consultation with the DTSC Project Coordinator and the RWQCB Project Coordinator.

115. No informal advice, guidance, suggestion, or comment by the EPA, DTSC, or RWQCB Project Coordinator or other EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by Respondents shall relieve Respondents of its obligation to obtain any formal approval required by this Order, or to

comply with all requirements of this Order, unless it is formally modified in accordance with this Section.

116. This Order shall be made available for a period of not less than thirty (30) days for public notice and comment. The United States, DTSC and RWQCB reserve the right to withdraw or withhold their consent if the comments regarding the Order disclose facts or considerations which indicate that the Order is inappropriate, improper, or inadequate.

#### **XXXIX. TERMINATION**

117. This Order shall terminate under one or more of the following circumstances:

a. Upon a Finding of Default by EPA, in consultation with DTSC and RWQCB, under Paragraph 114;

b. Upon EPA's Certification of **Completion of the Work**, pursuant to Paragraph 55; or

c. Upon termination of the ETCA, this Order shall terminate with respect to any ROD Implementation Area for which EPA has not yet issued a Certification of Completion of Remedial Action. Upon termination of the ETCA, this Order shall remain effective with respect to any ~~ROD~~ Implementation Area and Work for which EPA has already issued the Certification of Completion of Remedial Action. **NOTE: We don't remember who added this, or why it was added. We need to discuss.**

#### **XXXX. EFFECTIVE DATE**

118. This Order shall be effective when EPA issues written notice to Respondents that each of the following conditions have been met: a.) the expiration of the public notice and comment period for this Order and EPA's determination that comments received, if any, do not require EPA to modify or withdraw from this Order; b.) the completion of the public comment process on the FOSET; c.) the execution of the ETCA and the Amended FFA; and d.) EPA's approval of and the Governor of the State of California's concurrence with the Covenant Deferral Request.

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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For Respondents:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For EPA:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

---

Michael Montgomery  
Assistant Director of Federal Facilities and Site  
Cleanup Branch  
U.S. Environmental Protection Agency  
Region IX  
75 Hawthorne St.  
San Francisco, CA 94105

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Date

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Robert G Carr  
Assistant Regional Counsel  
U.S. Environmental Protection Agency  
Region IX  
75 Hawthorne St.  
San Francisco, CA 94105



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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For the United States:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_  
Assistant Attorney General  
Environment and Natural Resources Section  
U.S. Department of Justice

Washington, D.C. 20530

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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For DTSC:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_

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ADMINISTRATIVE ORDER ON CONSENT  
FOR RI/FS AND RD/RA FOR CLEANUP  
OF PORTIONS OF THE FORMER HPNS

**For RWQCB:**

Agreed this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

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